

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

John A. Bell

92-01568

Name of Respondents

Stephen B. Phillips
Robert A. Foster, Sr.

REPRESENTATION

For Claimant, John A. Bell ("Bell"): Jane A. Sirak, Esq.

For Respondent, Stephen B. Phillips ("Phillips"): pro se.

For Respondent, Robert A. Foster, Sr. ("Foster"): pro se.

CASE INFORMATION

Statement of Claim filed: 5/7/92.

Claimant's Submission Agreement signed on: 4/29/92.

Respondent, Phillips, did not file a Statement of Answer as required by Section 25 of the Code of Arbitration Procedure.

Respondent, Phillips' Submission Agreement signed on: 8/17/93.

Respondent, Foster's Statement of Answer received on: 6/16/92.

Respondent, Foster's Submission Agreement signed on: 5/14/92.

HEARING INFORMATION

A hearing lasting two (2) sessions was conducted in Fort Lauderdale, Florida on 8/17/93.

CASE SUMMARY

Claimant alleged that he is an unsophisticated investor and that in 1990 he was contacted by Respondent, Foster and solicited to open an account at Stuart James and purchase stock and warrants in Cedar Group through numerous misrepresentations and illegal sales practices, which resulted in the loss of a substantial amount of Claimant's money. Claimant further alleged that Respondents actions constituted the following: Federal and state securities violations, civil theft, common law fraud and breach of fiduciary duty.

Respondent, Foster, denied all allegations of wrongdoing and alleged that many of Claimant's purchases of Cedar Group were unsolicited and that although he believed in the stock and had himself purchased \$15,000 worth of the stock and his father purchased \$30,000 worth of the stock he never guaranteed the price of any stock.

At the hearing, Respondent, Phillips denied all allegations of wrongdoing and maintained that Claimant was fully apprised of his investment by Foster and that Claimant's purchases in Cedar Group were made on an unsolicited basis.

RELIEF REQUESTED

Claimant requested an award of compensatory damages in a minimum amount of \$24,000; punitive damages and/or treble damages in a minimum amount of \$72,000.00; reasonable attorneys fees pursuant to Chapter 517, and 812 Fla. Stat. (1987); prejudgment interest on the compensatory damages; costs of this action including the costs and expenses of expert witnesses.

Respondents requested dismissal of the claim.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions (if any), the undersigned arbitrator has

decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Foster and Phillips, are both found not liable and, therefore, all claims against them are hereby dismissed.
2. Claimant's requests for attorney's fees, costs and punitive and/or treble damages are hereby denied.

OTHER COSTS

1. The parties shall each bear all costs and expenses incurred by them in connection with this proceeding including attorney's fees.

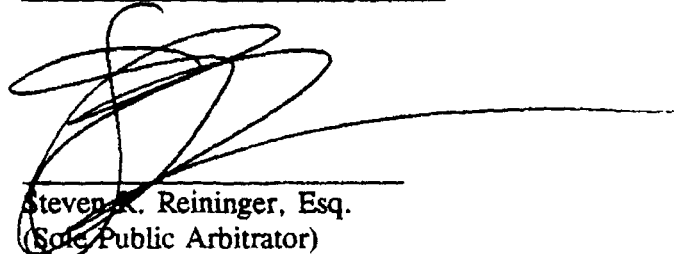
FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of \$1,000.00 (two (2) hearing sessions X \$500.00).

1. Claimant is hereby assessed forum fees of \$500.00 for which the NASD shall retain the \$500.00 previously deposited in full satisfaction thereof.
2. Respondents, Foster and Phillips, are hereby assessed forum fees of \$500.00, jointly and severally, payable to the National Association of Securities Dealers, Inc.
3. The NASD, Inc. shall retain the non-refundable filing fee of \$150.00 paid by Claimant.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATOR'S SIGNATURE



Steven R. Reininger, Esq.
(Sole Public Arbitrator)

Date of Decision: 11-4-93