

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Carl Taufer

NASD Arbitration
No.92-02233

Name of Respondent(s)

M.L. Stern & Co., Inc.
Frank A. Wasko

REPRESENTATION

For Claimant: Robert W. Mills, Esq., and Kelly J. Robbins, Esq., San Rafael, California

For Respondent: Michael Holtzman, Esq., Mindlin, Tigerman & Holtzman, Los Angeles, California

CASE INFORMATION

Statement of Claim filed: July 7, 1992

Claimant's Submission Agreement signed: June 25, 1992

Joint Statement of Answer filed by Respondent: September 25, 1992

Respondents' Submission Agreements signed:

M.L. Stern & Co.: August 11, 1992

Frank Wasko: August 26, 1992

HEARING INFORMATION

Pre-hearing telephone Conference / sessions: April 15, 1993 - 1 session

Hearing dates / sessions: April 22, 1993 - 2 sessions
 April 23, 1993 - 2 sessions

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant alleged Respondents recommended the purchase of unsuitable limited partnership investments with Claimant's retirement funds, and in doing so, negligently misrepresented the inherent risks of the investments and the significance of the risks to Claimant. Claimant also alleged breach of fiduciary duty; common law fraud; violations of the Securities and Exchange Act of 1934, the Securities Act of 1933, California securities laws; professional negligence; breach of contract; breach of the covenant of good faith and fair dealing; and failure to supervise.

Respondents denied all allegations of wrongdoing, and asserted that all investment decisions were made by Claimant after extensive discussions over a long period of time with his son and his accountant.

RELIEF REQUESTED

Claimant requested damages of \$275,000 plus lost earnings and costs of arbitration.

Respondents requested dismissal of all claims.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by Claimant are dismissed in their entirety.
2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the forum fees are to be split between the parties:

One pre-hearing conference @ \$300/session	=	\$ 300.00
<u>Four hearing sessions @ \$750/session</u>	=	<u>\$3,000.00</u>
Total forum fees		\$3,300.00

Claimant's one-half share	=	\$1,650.00
<u>Credit for deposit received</u>	=	<u>\$ 750.00</u>
Balance due		\$ 900.00

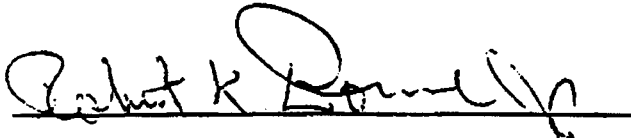
Respondent's one-half share	=	\$1,650.00
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Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Alfred P. Knoll	Public Chairperson
Maurice Arth	Public Panelist
Robert K. Bourne, Jr.	Industry Panelist

Concurring Arbitrators' Signatures



DATE SERVED: 05/17/93