

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Karl Lundquist

92-02384

Name of Respondents

Hamilton Investments
Arnold Fiscelli

REPRESENTATION

For Claimant Karl Lundquist: Anthony V. Trogan, Jr., Esq. of Weisman, Trogan, Young & Schloss, P.C.

For Respondents Hamilton Investments, Inc. and Arnold Fiscelli: Rosemarie J. Guadnolo, Esq. of Horvath Lieber & Quilici, P.C.

CASE INFORMATION

Statement of Claim filed: July 17, 1992.

Claimant's Submission Agreement signed on: July 7, 1992.

Statement of Answer filed by Respondents Hamilton Investments, Inc. and Arnold Fiscelli on: August 27, 1992.

Respondent Hamilton Investments Inc.'s Submission Agreement signed on: August 24, 1992.

Respondent Arnold Fiscelli's Submission Agreement signed on: August 11, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: July 8, 1993/2 Sessions

Hearing Location: Embassy Suites in Southfield, Michigan.

CASE SUMMARY

Claimant alleged that Respondents made misrepresentations and committed fraud in order to induce Claimant to trust Respondents, invest his funds with them and allow them to manipulate his account for Respondents' own purposes. Claimant further alleged that Respondents sold Claimant stocks or issues in which Respondent Hamilton or its principals were interested, and that Respondents' conduct violated the federal securities laws, Michigan state securities laws, and formed the basis of a claim pursuant to the RICO statute. Claimant maintained that Respondents committed churning and their behavior with regards to Claimant amounted to a breach of fiduciary duty.

Respondents denied all of Claimant's allegations and maintained that the securities purchased by Claimant were consistent with his stated objective of aggressive appreciation.

RELIEF REQUESTED

Claimant requested damages in the amount of \$113,352.00 plus interest at a rate of 12%. Claimant also requested an award of exemplary and punitive damages, RICO damages, costs and attorney fees.

Respondents requested that Claimant's claims be denied in their entirety, and that Respondents be awarded costs and attorneys' fees.

AWARD

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

1. The Respondents Hamilton Investments, Inc. and Arnold Fiscelli are jointly and severally liable and shall hereby pay to the Claimant the sum of \$55,000.00. Respondents shall pay interest at a rate of 7% from February, 1992 until the award is paid in full.

2. Respondents shall jointly and severally pay to Claimants \$13,000.00, representing attorneys' fees for the cost of this arbitration.
3. The Claimant's request for punitive damages is denied.
4. Hamilton Investments, Inc. and Arnold Fiscell shall jointly and severally pay for the forum fees and filing fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

\$200.00 non-refundable hearing session deposit.
2 Sessions X \$750.00 per session = \$1,500.00.

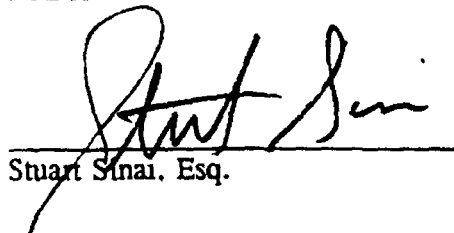
Forum Fees Assessed Against:

1. The Respondents Hamilton Investment, Inc. and Arnold Fiscelli be and hereby is liable and shall pay the NASD the sum of \$1,700.00 representing the Forum fees for the cost of this arbitration. The respondent shall satisfy this amount by reimbursing Claimant \$950.00, representing a \$200.00 non-refundable filing fee and a \$750.00 initial Hearing Session Deposit already paid to the NASD. Net Due to the NASD: \$750.00.

CONCURRING ARBITRATORS' SIGNATURES

NAME

INDUSTRY/PUBLIC


Stuart Sinai, Esq.

Industry

Date of Decision: October 4, 1993

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Ralph J. Sirlin, Esq.

Public

Date of Decision: October 4, 1993

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INDUSTRY/PUBLIC


Michael J. Meausen

Public

Date of Decision: October 4, 1993