

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Walter A. and Karen Hefner

NASD Arbitration
No.92-02403

Name of Respondent(s)

Oppenheimer & Co., Inc.
Charles C. Ballard

REPRESENTATION

For Claimant: Carl H. Hagens, Esq., Hagens & Berman, Seattle, Washington

For Respondent: Louis Peterson, Esq., Hillis Clark Martin & Peterson, Seattle, Washington

CASE INFORMATION

Statement of Claim filed: July 20, 1992

Claimants' Submission Agreement signed: July 29, 1992

Joint Statement of Answer filed: September 24, 1992

Respondents' Submission Agreement signed:

Oppenheimer & Co.:	September 24, 1992
Charles Ballard:	None submitted.

HEARING INFORMATION

Pre-hearing telephone conference dates / sessions:

June 18, 1993	-	1 session
August 17, 1993	-	1 session

Hearing dates/ sessions:

August 25, 1993	-	2 sessions
August 26, 1993	-	1 session
September 13, 1993	-	2 sessions

Hearing location: Seattle, Washington

CASE SUMMARY

Claimants alleged Respondents recommended the purchase of common shares of Harcourt Brace Jovanovich based on the potential growth in share value that would result from the expected sale of the theme park division. Claimants alleged Respondents also urged them to liquidate other investments and to borrow monies to increase their HBJ holdings and to concentrate their entire liquid assets in this investment. Claimants alleged that when the theme park sale occurred at one-half the expected sales price, the value of their HBJ shares declined precipitously, causing margin calls and the forced liquidation of their shares. Claimants alleged misrepresentation, fraud, respondent superior, violations of the Washington State Securities Act and the Washington State Consumer Protection Act, negligence and breach of fiduciary duty.

Respondents denied all allegations and denied all liability for Claimants' losses. Respondents admitted recommending the initial purchase of HBJ based upon a fundamental analysis of HBJ by Oppenheimer's research department. Respondents denied recommending additional purchases of HBJ, and asserted that Respondent Ballard spoke often with Claimants regarding the risks of concentration in one position. Respondents further asserted that Claimants misrepresented their investment experience, financial status, investment objectives and understanding of risk when opening the account.

RELIEF REQUESTED

Claimants requested damages in excess of \$120,000, plus interest, lost profits, cost and attorney's fees, plus damages under the Washington State Consumer Protection Act, RCW 19.26.020, et seq.

Respondents requested dismissal of all claims.

OTHER ISSUES CONSIDERED AND 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 in this matter are dismissed in their entirety.
2. The parties shall each bear their respective costs and attorney's fees.

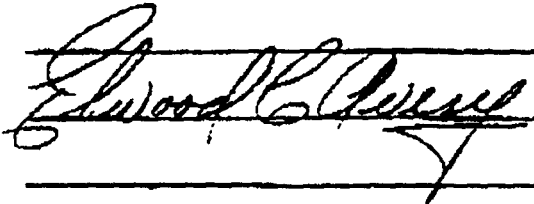
FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the \$1,000 hearing session deposit as an assessment of forum fees.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Eric A. Chiappinelli	Public Chairperson
Elwood C. Avery	Public Panelist
Frank A. Pritchard, Jr.	Industry Panelist

Concurring Arbitrators' Signatures

 10/1/93

Served 10/11/93