

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Name of Claimants

Name of Respondents

REPRESENTATION

For Respondent David L. Weintraub ("Weintraub"): appeared pro se.

CASE INFORMATION

Respondent LLC's Submission Agreement signed on: November 20, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: June 2, 1993, 2 sessions
June 3, 1993, 2 sessions

Hearing Location: Omni Inner Harbor Hotel, Baltimore, MD.

CASE SUMMARY

Claimants alleged that Weintraub had made derogatory comments against Claimants original LLC broker, who had left employment at LLC in order to induce Claimants to stay with LLC and hire Weintraub as their new broker. Claimants alleged that through high pressured sales tactics, Weintraub induced Claimants to liquidate Claimants stocks and warrants and purchase those that Respondents were pushing. Claimants alleged that Respondents failed to know their customers and placed Claimants in unsuitable investments. Claimants alleged that Respondents employed a fraudulent scheme of false representations and omissions to induce Claimants to place transactions through Respondents. Claimants alleged that Respondents violated both State and Federal securities law as well as committed common law fraud, breach of fiduciary duty, negligence and breach of contract.

Respondent LLC at the hearing categorically denied all allegations of wrongdoing and specifically maintained that all trades were approved by Claimants and Claimants received confirmation slips and monthly statements apprising them of all transactions in their account. Respondents maintained that all material information was provided to Claimants and Respondents made no false or material misrepresentations. Respondents maintained that Claimants are complaining based on twenty/twenty hindsight. LLC maintained that it was unfortunate that the stocks liquidated by Claimant went up in value and that the stocks purchased by Claimants performed poorly but LLC maintained that is not a guarantor for Claimants losses.

Respondent Weintraub did not answer.

RELIEF REQUESTED

Claimants requested \$42,000 compensatory damages, \$10,000 punitive damages and costs of this proceeding.

Respondent LLC requested that Claimants' claim be dismissed in its entirety.

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.

That service of the Claimants' claim on Respondent David L. Weintraub was not properly effectuated so that all claims asserted by Claimant against Respondent Weintraub are dismissed without prejudice.

AWARD

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

1. That Respondent LLC is liable to the Claimants and shall pay to the Claimants the sum of Eleven Thousand and 00/100 Dollars (\$11,000); no interest is awarded on this amount.
2. That all other claims alleged are denied in their entirety.
3. That each party shall bear their respective costs and attorneys' fees except as specified herein.

FORUM FEES

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

$$4 \text{ hearing sessions} \times \$500 = \$2000$$

Forum fees shall be split equally between the Claimants and Respondent LLC so that each are assessed \$1000. Claimants are entitled to offset this amount with their previously filed hearing session deposit of \$500, thus, the amount remaining due from Claimants is \$500.

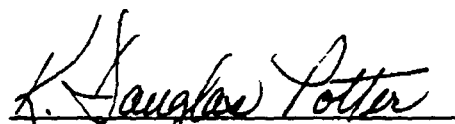
Respondent LLC is assessed forum fees of \$1000.

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Award #92-02573

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

Concurring Arbitrators' Signatures
Name

Public/Industry


K. Douglas Potter

Industry Arbitrator

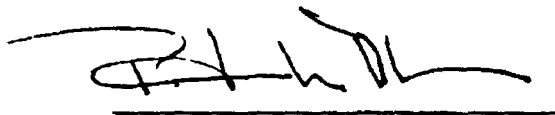
Date of Decision: August 2, 1993

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Concurring Arbitrators' Signatures
Name

Public/Industry



Patrick Sean Dolan

Public Arbitrator


Date of Decision: August 2, 1993

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Concurring Arbitrators' Signatures
Name

Public/Industry


J. Martin McDonough Jr., Esq.

Industry Arbitrator

Date of Decision: August 2, 1993