

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Margaret M. Fieschko

and

92-02813

Name of Respondents

Bear Stearns & Co., Inc.
Kevin Haag

REPRESENTATION OF PARTIES

Margaret M. Fieschko ("Claimant") was represented by Peter B. Schaeffer, Esq., Chicago, IL.

Bear Stearns & Co., Inc. and Kevin Haag ("Respondents") were represented by Nicholas P. Iavorone, Esq. of Bellows and Bellows, Chicago, IL.

CASE INFORMATION

The Statement of Claim was filed on or about August 21, 1992. Submission Agreement of Claimant was signed on August 17, 1992.

Statement of Answer was filed by Respondents on or about October 16, 1992. Submission Agreement of Respondent Bear Stearns & Co., Inc. was signed on October 14, 1992 by Mark E. Lehman. Submission Agreement of Respondent Kevin Haag was signed on October 12, 1992.

HEARING INFORMATION

The hearing was held on Wednesday, October 6, 1993 for two (2) sessions and Thursday, October 7, 1993 for one (1) session in Chicago, Illinois for a total of three (3) sessions.

CASE SUMMARY

Claimant alleged that Respondents failed to advise her of material facts which they had a duty to disclose. Those material facts included: the current financial condition of Centocor; the fact that Centocor did not have commercial product; the risks to her in the event that Centocor did not obtain FDA approval for Centtoxix; the extent of the holdings by other clients of Bear

Stearns; and the risks of purchasing Centocor on margin. Claimant also alleged that she executed the account opening documents under duress and that Respondent Haag employed improper and coercive tactics and conduct in obtaining her account and during the period her account was open.

Respondents stated that the Claimant's losses were not caused by any misrepresentations on the part of Kevin Haag or Bear Stearns or to any failure to disclose the risks of the investment in Centocor. Respondents stated that the investment in Centocor was accurately presented and carefully explained, that the risks of margin trading were also explained to the Claimant. It was also stated that the Claimant had prior experience with a margin account. Respondents further stated that the Claimant failed to mitigate her losses.

RELIEF REQUESTED

Claimant requested an award in her favor against Respondents jointly and severally in the amount of \$27,033.00 plus interest, filing fees, costs incurred in connection with this matter, and for such other and further relief as shall be allowed. Claimant also requested rescission under the Illinois Securities Act in the alternative.

Respondents requested that the claims asserted be dismissed and the costs of this proceeding be assessed against the Claimant.

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 original(s) remain on file with the N.A.S.D..

AWARD

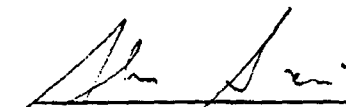
After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Bear Stearns & Co., Inc. and Kevin Haag shall be and hereby are jointly and severally liable for and shall pay to the Claimant Margaret M. Fieschko the sum of *Five thousand six hundred ninety three dollars* (\$5,693.00).
2. Interest at the rate of 9% per annum is awarded on the above stated sum from and inclusive of January 23, 1992 to and inclusive of the date this award is paid in full.
3. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter not specifically enumerated herein.


FORUM FEES

Pursuant to §43(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$100.00 and shall retain as forum fees the hearing session deposit in the amount of \$300.00 previously deposited with the N.A.S.D. by the Claimant. Claimant shall pay to the N.A.S.D. the sum of \$320.00 and Respondents shall be jointly and severally liable for and shall pay to the N.A.S.D. the sum of \$600.00.

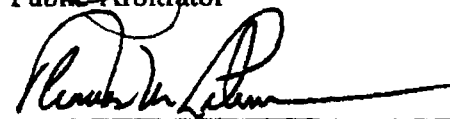
Forum fees are calculated at the rate of \$400.00 per hearing session and \$300.00 for each prehearing conference, if any. Fees are payable to the National Association of Securities Dealers, Inc.



Sheldon I. Saitlin, Esq.
Public Arbitrator, Presiding Chair



Steven J. Thompson, Esq.
Public Arbitrator



Thomas M. Lehner
Industry Arbitrator

Dated:

10-7-93

10-7-93

10/7/93