

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Arthur Resnikoff
Jacqueline Levy

NASD Arbitration
No. 92-02883

Name of Respondent(s)

Kidder, Peabody & Co., Inc.
Steven Nothmann

REPRESENTATION

For Claimants: Brian K. Lowe, Investors Arbitration Services, Inc., Woodland Hills, California

For Respondents: William H. Phelps, Esq., Kidder, Peabody & Co., Inc., Los Angeles, California

CASE INFORMATION

Statement of Claim filed: August 26, 1992

Claimants' Submission Agreement signed: August 17, 1992

Joint Statement of Answer filed by Respondents: October 22, 1992

Respondent Kidder, Peabody & Co., Inc.'s Submission Agreement signed: October 21, 1992

Respondent Steven Nothmann did not file a Submission Agreement. However, he appeared at the hearing and is subject to National Association of Securities Dealers, Inc. (NASD) jurisdiction in accordance with Section 12 of the Code of Arbitration Procedure.

HEARING INFORMATION

Pre-Hearing Conference: None

Hearing Date(s)/Sessions: April 20, 1993 (two sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged fraud, deceit, misrepresentation, omission of material fact, unauthorized trading, negligence, failure to follow instructions, violation of California Blue-Sky regulations, unapproved option trading, breach of fiduciary duty, breach of the implied covenant of good faith and fair dealing and failure to supervise with respect to investments in Pacific Basin Resources Ltd. stock and options transactions.

Respondents denied Claimants' allegations and alleged that Claimants' Claim is time-barred by all applicable statutes of limitation.

RELIEF REQUESTED

Claimants requested:

1. Compensatory damages in the amount of \$95,088.00;
2. Rescission of stock purchases in violation of Claimants' specific instructions concerning South Africa causing net losses of \$303.46;
3. Rescission of purchases of non-qualified stock causing net losses of \$21,291.00;
4. Rescission of unapproved options purchases and commission expenses in the amount of \$28,348.00;
5. Pre- and post-award interest at the maximum rate allowed by law, figured from the date of the original investment;

6. Costs of arbitration, including filing fees, attorney's fees, expert witness fees, and any other costs or fees deemed reasonable by the arbitrators; and
7. Punitive damages in an amount to be determined by the arbitrators.

Respondents requested dismissal of Claimants' 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 and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims by Claimants, including the claim for punitive damages, are dismissed.
2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall refund the \$750.00 hearing session deposit previously deposited by the Claimants. Forum fees are assessed against:

Respondent Kidder, Peabody & Co., Inc. in the amount of \$1,500.00, calculated as follows: Two hearing sessions times \$750.00/session.

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

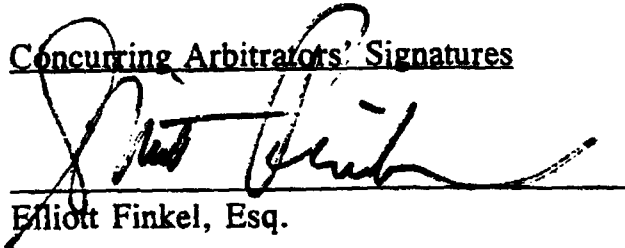
ARBITRATORS

Public/Industry

Public Arbitrator
Public Arbitrator
Public Arbitrator

0

Concurring Arbitrators' Signatures



Elliott Finkel, Esq.

Date of Decision: 5-3-93

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Elliott Finkel, Esq.	Public Arbitrator
Gennaro A. Santangelo	Public Arbitrator
A.J. Staples	Public Arbitrator

Concurring Arbitrators' Signatures

Elliott Finkel, Esq.

Gennaro A. Santangelo

Gennaro A. Santangelo

A.J. Staples

Date of Decision: *April 20, 1993*

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Elliott Finkel, Esq.	Public Arbitrator
Gennaro A. Santangelo	Public Arbitrator
A.J. Staples	Public Arbitrator

Concurring Arbitrators' Signatures

Elliott Finkel, Esq.

Gennaro A. Santangelo

A.J. Staples

Date of Decision: _____

5/3/93