

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Goldy Sonnenfeld Family Trust
Goldy Sonnenfeld

NASD Arbitration
No.92-03463

Name of Respondent(s)

First Investors Corporation
Malvin S. Scherr
Zev Fogel

REPRESENTATION

For Claimant: Edward T. Swanson, Esq. - Swanson & Mcepos - Santa Monica, Ca.

For Respondents: A. Thomas Morris, Esq. - Kirkpatrick & Lockhart - Washington, D.C.

CASE INFORMATION

Statement of Claim filed: October 13, 1992

Claimant's Submission Agreement signed: November 18, 1992

Statement of Answer filed: January 11, 1993

Respondent, Malvin Sherr's Submission Agreement signed: January 14, 1993

Respondent, First Investors Corporation's Submission Agreement signed December 4, 1992

Respondent, Zev Fogel's Submission Agreement Signed January 8, 1993

HEARING INFORMATION

Hearing dates/ sessions: One Pre-hearing session - September 14, 1993

Two Sessions - September 20, 1993

Two Sessions - September 21, 1993

Hearing location: Los Angeles, California

CASE SUMMARY

Claimant, Goldy Sonnenfeld, claims against Respondents for misrepresentation, fraud.

breach of fiduciary duty, negligence and unsuitable securities recommendations. Claimant relied on respondents to invest the bulk of her life savings. Respondents knew of her limited financial means as well as her desire and need for safety in her investments, yet placed her funds in risky investments which did not provide reasonable security or diversity. As a result, Claimant Sonnenfeld suffered substantial losses. The specific products complained of are the VMS Strategic Land Fund II, the American Income Partners V-B and the First Investors Multi-State Tax Free Fund.

Respondent alleged that at the time the Claimant made her investments in the VMS Land Fund, American V-B and the tax Free Fund, she desired long-term investments that produced high income and was willing to accept the risk of achieving her objectives. Any market losses suffered with respect to the remaining investments were not caused by Respondents. Respondents are not responsible for losses caused by unforeseeable events over which they have no control, such as general market conditions or misdealings by third parties.

RELIEF REQUESTED

Claimant requested damages in an amount to be proven at the hearing but which Claimants believe to be approximately \$50,000.00, together with interest thereon from the time the damages occurred to the present and exemplary damages in the amount of \$50,000.00.

Respondents request dismissal of all claims plus costs.

OTHER ISSUES CONSIDERED AND DECIDED

The panel heard arguments and reviewed filings submitted by the parties relating to Respondents' Motion to Dismiss the VMS Strategic Land Fund II. The panel reserved ruling on the VMS investment until after the full hearing was conducted. After deliberations, the panel determined that the Claimant was a valid member of a class action relating to this specific investment and therefore granted Respondents' motion to dismiss without prejudice.

The parties have agreed that the Award in this matter may be executed in either 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. Respondents, First Investors Corporation, Zev Fogel and Malvin Scherr are jointly and severally liable and shall pay to Claimants Goldy Sonnenfeld and the Goldy

Sonnenfeld Family Trust the sum of Thirty Seven Thousand Five Hundred Dollars and No Cents. (\$37,500.00).

2. All claims for interest are denied.
3. All claims for punitive and exemplary damages are denied.
4. The parties shall each bear their respective costs and fees.

FORUM FEES

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

Total Fees Assessed:	
Four Hearing Sessions @ \$500.00 /session=	\$2,000.00
One Pre-Hearing Session @ \$500/session=	\$500.00
Total Fees Assessed:	\$2,500.00

Respondents, First Investors Corporation, Zev Fogel and Malvin Scherr are assessed and shall pay to the NASD the sum of \$2,000.00 representing four hearing sessions at \$500.00 each.

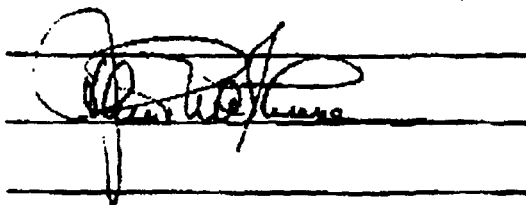
Claimant's hearing session deposit of \$500.00 shall be retained as an assessment for one hearing session.

All fees are to be paid to the National Association of Securities Dealers, Inc.

ARBITRATORS

Name	Public / Industry
Frank Smith	Public Chairperson
John McShane	Public Panelist
John Dampman	Industry Panelist

Concurring Arbitrators' Signatures



Served 10/22/93

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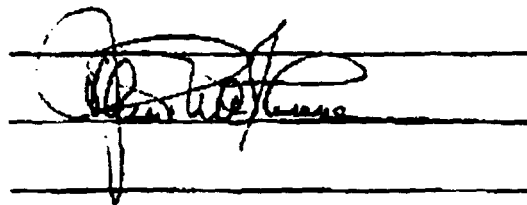
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