

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Stephen G. Weiss
Stephen L. Blum

92-04040

Name of Respondents

Commonwealth Associates

REPRESENTATION

For Claimant Stephen G. Weiss ("Weiss") and Stephen L. Blum ("Blum"): David M. Lewis, Esq. of the law firm of Mandell, Lewis & Goldberg, P.C., McLean, VA.

For Respondent Commonwealth Associates ("Respondent"): David M. Richan, Esq. of the law firm of Tenzer, Greenblatt, Fallon & Kaplan, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed: December 1, 1992
Claimants' Submission Agreement signed on: November 25, 1992

Statement of Answer filed by Respondent on: February 4, 1993
Respondent's Submission Agreement signed on: February 3, 1993

Weiss & Blum Award

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HEARING INFORMATION

Pre-Hearing Conference:

March 31, 1994 - one session

June 2, 1994 - one session

Hearing Dates/Sessions:

July 18, 1994 - two sessions

July 19, 1994 - two sessions

August 23, 1994 - two sessions

August 24, 1994 - two sessions

Hearing Location: Omni Inner Harbor Hotel, Baltimore, MD

CASE SUMMARY

Claimants alleged that Respondent, through its registered agent, improperly induced them to purchase shares and warrants in Fidelity Medical, Inc. ("FMSI") and Protech, Inc. ("PRTC") by means of oral and written misrepresentations and unfounded predictions as to price performance. Claimants alleged violations of federal and state securities laws, and common law claims of fraud, breach of fiduciary duty, negligence, negligent misrepresentation, intentional misrepresentation and breach of contract. Respondents denied all liability and claimed that Claimants were sophisticated investors who had access to all material information. Respondent asserted that its agents's statements and predictions were either true, or were matters of opinion, or were not material to Claimants' decision to purchase the investments.

RELIEF REQUESTED

Claimants requested a combined compensatory award of approximately \$ 191,000 (\$171,064 for Weiss and \$ 20,458 for Blum), plus

interest, costs and attorney fees. Claimants withdrew a claim for punitive damages at the conclusion of the hearing.

Respondents requested that all claims be dismissed and that costs and Respondent's attorney fees be assessed against the Claimants.

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, the panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent shall pay to Weiss damages in the amount of \$ 16,687.50.
2. Respondent shall pay to Blum damages in the amount of \$ 2,062.50.
3. Claimants' request for attorney fees is denied. Respondent's request for attorney fees is denied. The parties shall bear their respective costs and expenses, except as indicated herein.

FORUM FEES

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

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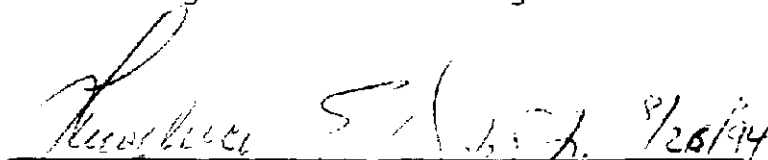
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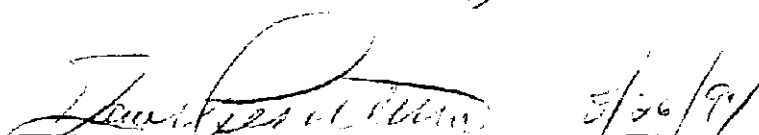
2 prehearing conferences x \$300=\$600 plus 8 hearing sessions x \$ 750=\$6,000 minus hearing session deposit of \$0=net \$ 6,600 due.

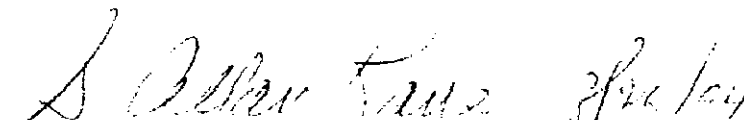
Forum Fees Assessed Against: Respondent.

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

Concurring Arbitrators' Signatures


Lawrence E. Dube, Jr. Public


Dana N. Pescosolido, Esq. Industry


S. Allan Kane Public

NASD Date of Decision: September 1, 1994