

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

George Sookman

NASD Arbitration
No.93-00304

Name of Respondent(s)

J.B. Hanauer & Company
Norman Lehrer

REPRESENTATION

For Claimant: Michael Anatole, Esq., Murphy and Gold, Calabasas, California

For Respondent: Gina M. Calvelli, Esq., Riordan & McKinzie, Los Angeles, California

CASE INFORMATION

Statement of Claim filed: January 28, 1993

Claimant's Submission Agreement signed: July 17, 1992

Joint Statement of Answer filed: March 30, 1993

Respondents' Submission Agreements signed:

J.B. Hanauer: March 17, 1993

Norman Lehrer: March 15, 1993

HEARING INFORMATION

Pre-Hearing telephone conference date / sessions:

August 17, 1993 - 1 session

Hearing dates/ sessions:

September 2, 1993 - 2 sessions

Hearing location: Los Angeles, California

CASE SUMMARY

Claimant alleged misrepresentation and failure to conduct proper due diligence with respect to his investment in municipal bonds.

Respondents denied the allegations of wrongdoing, and asserted that all potential risks of the investments had been explained to Claimant prior to investment, that each investment was adequately investigated and full disclosure made of all relevant information, and that Claimant suffered no loss on the Guam bonds.

RELIEF REQUESTED

Claimant requested damages of \$127,341.50, plus punitive damages of \$1,000,000.00, attorney's fees and costs of arbitration.

Respondents requested dismissal of all claims.

OTHER ISSUES CONSIDERED AND 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 undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$65,524.81 (calculated as follows: \$50,000 plus interest at 7% per annum from May 1, 1989 to September 2, 1993). In addition, Respondents shall pay interest on \$65,524.81 at 7% from September 3, 1993 until the award is paid.
2. The claim for punitive damages is dismissed.
3. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall refund the \$1,000.00 hearing session fee previously deposited by Claimant.

Respondent J.B. Hanauer & Company is assessed forum fees as follows:

1 pre-hearing telephone conference @\$300 / session	=	\$ 300.00
2 sessions @\$1,000 / session	=	\$2,000.00
Balance due	=	\$2,300.00

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Wayne E. Gallop	Public Chairperson
John E. Cummings	Public Panelist
Donna M. Hostetler	Industry Panelist

Concurring Arbitrators' Signatures

Donna M. Hostetler

Served 10/20/93