

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Warren and Rebecca Straley

NASD Arbitration
No. 93-00527

Name of Respondents

Christopher Weil & Company, Inc.

Philip Hartwell

Christopher F. Weil

B. Wayne Hughes

Richard A. Lane

REPRESENTATION

For Claimant: David Liebrader - Investor Arbitration Services, Inc. - Woodland Hills, Ca.

For Respondents: Elizabeth Barrowman, Esq. - Jeffers, Mangels, Butler & Marmaro - Los Angeles, Ca.

CASE INFORMATION

Statement of Claim filed: February 11, 1993

Claimants' Submission Agreement signed: January 29, 1993

Joint Statement of Answer filed by Respondents: May 3, 1993

Submission Agreement signed by Respondent, Richard Lane on June 3, 1993

Submission Agreement signed by Respondent, Christopher F. Weil on May 3, 1993

Submission Agreement signed by Respondent, Philip A. Hartwell on June 10, 1993

HEARING INFORMATION

Pre-Hearing Conference Date / Session: None

Hearing Dates / Sessions: February 16, 1994 - Two Sessions
 February 17, 1994 - Two Sessions
 February 18, 1994 - Two Sessions
 March 10, 1994 - Three Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants, Warren Straley and Rebecca Straley (Straley) alleged that Respondent, Philip Hartman (Hartman) while employed by Respondent, Christopher Weil & Company, Inc. (Weil) sold to Straley interests in limited partnerships that the Respondents knew or should have known, were unsuitable for Straley, and were inappropriate in light of Straley's investment objectives of liquidity and low risk. Christopher Weil and Richard Lane were named in their capacity of controlling persons of Weil.

Claimants also alleged that punitive damages were in order in that Respondents' conduct was willful.

Respondents, answering jointly, alleged that the Claimants were sophisticated real estate investors, that they had specific knowledge of the risks and benefits associated with their investments and that it was the general downturn in the California real estate market and competition that led to their losses.

RELIEF REQUESTED

Claimants seek rescission of all the transactions involving the purchase of the unsuitable limited partnerships with compensatory damages of not less than \$152,000.00 (\$102,000.00 of original principal and \$50,000 of income loss, pre-award and post-award interest, costs, fees and punitive damages.

Respondents seek dismissal of the claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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 original remains 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, Christopher Weil & Company, Inc., Philip A. Hartwell, Richard A. Lane and Christopher F. Weil, are jointly and severally liable and shall pay to Claimants, Warren and Rebecca Straley, the sum of Forty One Thousand, Four Hundred Forty Dollars and No Cents (\$41,440.00) in compensatory damages.
2. Respondents, Christopher Weil & Company, Inc., Philip A. Hartwell, Richard A. Lane, and Christopher R. Weil, are jointly and severally liable and shall pay to Claimants, Warren and Rebecca Straley, the sum of Twenty Five Thousand Dollars and No Cents (\$25,000.00) in punitive damages.
3. Claimants' claim for interest is denied.
4. The parties shall each bear their respective costs and fees, including attorney/representation fees.
5. Claimants' claim for rescission is denied.

FORUM FEES

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


1. Claimants are assessed the sum of \$3,375.00, representing for one-half of the total of \$6,750.00 assessed for 9 hearing sessions at \$750.00 each.
2. Respondents are jointly and severally assessed the sum of \$3,375.00 representing one-half of the total assessed for 9 hearing sessions at \$750.00 each.

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Diane Muse	Industry
Larry Edmonson	Public
Ruben A. Vassolo, Esq.	Public

Concurring Arbitrators' Signatures


Diane Muse

Larry Edmonson

Ruben A. Vassolo, Esq.

Date of Decision: _____

Served 5/25/94