

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Aaron W. Ford

vs.

Case
#93-02400

Name of Respondent

Dunhill Equities, Inc.

REPRESENTATION

For Claimant, Aaron W. Ford f/k/a Aaron W. Wertheim ("Claimant"), Peter Harrington, Esq. from the law firm of Cosgrove, Eisenberg & Kiley, P.C., located in Quincy, Massachusetts

For Respondent, Dunhill Equities, Inc. ("Respondent") Christopher P. Litterio, Esq. from the law firm of Shapiro, Israel & Weiner, P.C., located in Boston, Massachusetts.

CASE INFORMATION

Statement of Claim was filed on June 18, 1993.

Claimant's Submission Agreement was signed on June 15, 1993.

Statement of Answer was filed by Respondent, Dunhill Equities, Inc. on September 8, 1993.
No Submission Agreement was signed by Respondent.

HEARING INFORMATION

Hearing Date/Sessions: October 4, 1994 - 2 sessions

Hearing Location: American Arbitration Association offices located in Boston, Massachusetts

CASE SUMMARY

Claimant alleged that he sustained losses as a result of the wrongful conduct by the Respondent's representative, Malcolm Krauss, who was killed in an automobile accident in March, 1992.

Claimant also alleged that prior to his death, Krauss engaged in unauthorized and unsuitable trading Claimant's account, misrepresented information to Claimant on which Claimant relied and acted. Claimant further alleged that based on representations by Krauss including guarantees of "no loss on the investment", Claimant purchased 2,500 shares of American Health Services. In less than one month from the acquisition date, February 13, 1992, Claimant alleged that the stock declined substantially.

Claimant also alleged that Krauss' conduct was in violation of the securities rules and regulations and in breach of Krauss' fiduciary duty. Claimant, in addition, alleged that Respondent failed to supervise the activities of Krauss.

Respondent denied any wrongdoing and asserted that it is not liable for any of the alleged transactions and that Claimant failed to state a claim upon which relief may be granted.

Respondent alleged that Claimant was a knowledgeable investor who knew the risks inherent in his investments and Claimant voluntarily undertook those risks. Respondent also alleged that the trades in Claimant's account were authorized and verified by the Claimant and that any alleged losses were due to Claimant's informed decisions and market condition.

RELIEF REQUESTED

Claimant requested damages in the amount of \$37,360.73, punitive damages in the amount of \$20,000.00, cost of \$650.00 (filing fee) and attorney's fees in the amount of \$15,000.00.

Respondent requested that the claim be dismissed and that it be awarded attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies and agreed to receive conformed copies of the Award while the original remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Dunhill Equities, Inc. is liable and shall pay Claimant damages in the amount of **TWELVE THOUSAND SEVEN HUNDRED DOLLARS AND ZERO CENTS (\$12,700.00)**.
2. Payment to Claimant is to be made within thirty days of the date of this award.
3. The claim for punitive damages is denied.
4. The claims for attorney's fees are denied.
6. All other claims are denied.
7. All costs are to be borne equally by each party.

OTHER ISSUES CONSIDERED AND DECIDED

On September 14, 1994, Claimant filed papers withdrawing the claim for emotional suffering and tuition loss.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed and shall be borne equally by the parties.

Non-refundable Filing Fee - \$150.00
Hearing Session Fees - \$500.00 (2 sessions x \$500.00 = \$1,000.00)
Postponement Fee - \$500.00
Total Fees = \$1,650.00

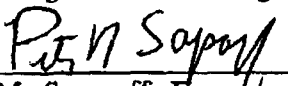
1. Claimant is assessed \$825.00 in forum fees. Claimant previously paid \$650.00 and owes a balance of \$175.00.
2. Claimant is further assessed \$500.00, which has been paid, for postponement of the hearings previously scheduled for May 24 and 25, 1994. The fee for postponement of the hearings previously scheduled for March 7 and 8, 1994 has been waived.
3. Respondent Dunhill Equities Inc. is assessed \$825.00. Respondent made no previous payments and owes a balance of \$825.00.

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

ARBITRATION PANEL

Peter M. Saporoff, Esq.	-	Public Chairperson
W. Lawrence McNeil	-	Public Panelist
John U. Harris, Jr.	-	Industry Panelist

Concurring Arbitrator's Signature


Peter M. Saporoff, Esq.

Date of Decision: November 2, 1994

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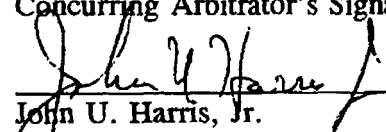
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John U. Harris, Jr.

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Concurring Arbitrator's Signature

W. Lawrence McNeil
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Date of Decision: November 2, 1994