

NATIONAL ASSOCIATION OF SECURITIES DEALERS
AWARD

In the Matter of the Arbitration Between

Amerstock Corporation

Claimant

v.

NASD No. 93-03156

John L. Neill, Dorothy W. Neill,
and the Neill Trust DTD 11/4/67

Respondents

Representation

For Claimant: Irving Einhorn, Esq. of Einhorn & Edgerton, Los Angeles, California

For Respondents: James Krause, Esq., San Diego, California

Case Information

Statement of Claim filed: August 4, 1993

Claimant's Submission Agreement signed: August 4, 1993

Statement of Answer filed on: November 5, 1993

Respondents' Submission Agreement signed on: October 30, 1993

Hearing Information

Prehearing Conference Date(s)/Sessions: None

Hearing Date/Sessions: May 5, 1994/one

Hearing Location: San Diego, California

Case Summary

Claimant alleged:

Breach of contract for failure to transfer shares of Spectrum Information Technologies, Inc. (SIT) from Kennedy, Cabot & Co. to Claimant after requesting sell order. Claimant refused to authorize the transfer of the shares after their value rose dramatically after the execution of Respondents' sell order by Claimant.

Respondents alleged:

Respondent J. Neill is 76 years old and a retired engineer. In November 1992, he individually purchased 5,000 shares of SIT for \$3 5/8 per share. He sold 500 shares in February 1993. The shares were held in J. Neill's account number at Kennedy, Cabot & Co. and he intended to hold the 4,500 shares of SIT as a long term investment.

Claimant's broker, Deepesh Patel (Patel) did not have the authority of Respondents to sell the 4,500 shares of SIT on May 6, 1993. It was inappropriate for Patel to sell securities on behalf of J. Neill without first having opened an account for J. Neill, particularly in light of the fact that Patel had been calling J. Neill for several months prior to May 6 for the specific purpose of soliciting business from him. It was inappropriate for Amerstock to delay in covering the transaction after May 11 since it was on notice by that date that the May 6 trade was unauthorized.

Relief Requested

Claimant requested:

1. Compensatory damages of \$18,864.19;
2. Interest from the date of breach;
3. Costs;
4. Attorney's fees.

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 Claimant \$18,864;
2. Respondents are jointly and severally liable for and shall pay Claimant \$1,886 in interest;
3. The parties shall each bear their respective attorney's fees;
4. The parties shall each bear their respective costs.

Other Costs

None.

Forum Fees

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall refund the \$600 hearing session deposit previously paid by the claimant. Forum fees are assessed against:

Respondents, jointly and severally, for \$600,

calculated as follows: one hearing session at \$600/hearing session, equals \$600.

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

Arbitration Panel

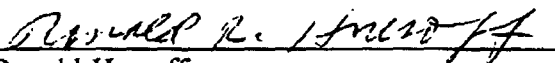
Name

Ronald Hrusoff, Esq.
William Randolph
Robert Weinman

Public/Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures



Ronald Hrusoff

William Randolph

Robert Weinman

Served 5/26/94

Date of Decision:

submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay Claimant \$18,864;
2. Respondents are jointly and severally liable for and shall pay Claimant \$1,886 in interest;
3. The parties shall each bear their respective attorney's fees;
4. The parties shall each bear their respective costs.

Other Costs

None.

Forum Fees

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall refund the \$600 hearing session deposit previously paid by the claimant. Forum fees are assessed against:

Respondents, jointly and severally, for \$600,

calculated as follows: one hearing session at \$600/hearing session, equals \$600.

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

Arbitration Panel

Name

Ronald Hrusoff, Esq.
William Randolph
Robert Weinman

Public/Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures

Ronald Hrusoff

W. D. Randolph
William Randolph

Robert Weinman

Served 5/26/94

Date of Decision:

submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay Claimant \$18,864;
2. Respondents are jointly and severally liable for and shall pay Claimant \$1,886 in interest;
3. The parties shall each bear their respective attorney's fees;
4. The parties shall each bear their respective costs.

Other Costs

None.

Forum Fees

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall refund the \$600 hearing session deposit previously paid by the claimant. Forum fees are assessed against:

Respondents, jointly and severally, for \$600,

calculated as follows: one hearing session at \$600/hearing session, equals \$600.

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

Arbitration Panel

Name

Ronald Hrusoff, Esq.
William Randolph
Robert Weinman

Public/Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures

Ronald Hrusoff

William Randolph



Robert Weinman

Served 5/26/94

Date of Decision: