

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Burton Spurlock

NASD Arbitration  
No. 93-03403

Name of Respondent(s)

Investors Associates, Inc.  
Peter Galletta

REPRESENTATION

For Claimant: David Liebrader, Esq., Investors Arbitration  
Services, Inc., Woodland Hills, California

For Respondents: Lawrence R. Gelber, Esq., Beigel Schy Lasky  
Rifkind Goldberg Fertik & Gelber

CASE INFORMATION

Statement of Claim filed: August 26, 1993

Claimant's Submission Agreement signed: August 20, 1993

Joint Statement of Answer filed by Respondents: October 22, 1993

Respondents did not file Submission Agreements. However, they  
appeared at the hearing and are subject to National Association of  
Securities Dealers, Inc. (NASD) jurisdiction in accordance with  
Section 12 of the NASD Code of Arbitration Procedure.

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): July 7, 1994 (two sessions)  
July 8, 1994 (two sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged the following causes of action with respect

to his investments in various stocks and securities: 1) unsuitability; 2) breach of fiduciary duty; 3) fraud; 4) negligence; and 5) breach of the implied covenant of good faith and fair dealing.

Respondents denied Claimant's allegations of wrongdoing and alleged that Claimant should not recover any money on his Claim in which investments Claimant directed did not work out to Claimant's satisfaction. Respondents also asserted affirmative defenses.

#### RELIEF REQUESTED

Claimant requested a joint and several award against Respondents as follows:

1. Compensatory damages in an amount of not less than \$115,000.00;
2. Punitive damages in an amount to be determined by the arbitrators;
3. Pre-award and post-award interest at the maximum rate allowed by law from the date of the original investment; and
4. Cost of arbitration and expenses including reasonable consulting fees, expert witness fees and any other costs deemed reasonable.

Respondents requested dismissal of Claimant's Statement of Claim in its entirety and that the panel award Respondents the costs, fees and expenses, including reasonable attorneys' fees, incurred in defending against Claimant's claims and further requested that the panel award Respondents such other and further relief as it deems just and proper.

#### 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 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 \$35,632.00, inclusive of interest.
2. Claimant's claim for punitive damages is denied.

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 following forum fees are assessed: The NASD shall retain the \$750.00 hearing session deposit previously deposited by the Claimant. Forum fees are to be split between the parties and are calculated as follows:


Four hearing sessions @ \$750.00/session	=	\$3,000.00
Total fees assessed	=	\$3,000.00
Claimant's share (50%)	=	\$1,500.00
Credit for hearing deposit	=	\$ 750.00
Balance due	=	\$ 750.00
Respondents' share, jointly and severally (50%)	=	\$1,500.00
Balance due	=	\$1,500.00

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

#### ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Diana G. Davis, Esq.	Public Arbitrator
James M. Allaire	Public Arbitrator
Milton C. Bennett	Industry Arbitrator

#### Concurring Arbitrators' Signatures

  
Diana G. Davis, Esq.

James M. Allaire

Milton C. Bennett

Date of Decision: \_\_\_\_\_

Served 8/12/94

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Long Island City, New York 11101

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