

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Marla Fidler, Michael Fidler,
Jonathan Fidler, Harriet Fidler,
Six Percent Management Company, also known as
Robert Fidler, and Nicky Blair, Limited,
a California Limited Partnership

NASD Arbitration
No. 93-04044

Name of Respondent(s)

Bateman Eichler, Hill Richards, Inc.
Noel R. Eichenlaub

REPRESENTATION

For Claimants: Brian D. McMahon, Esq. and Richard P. Crane, Jr.,
Esq., Crane, Rayle & Lennemann, Santa Monica, California

For Respondents: Robert Logan, Esq. and Paul J. Schumacher, Esq.,
Keesal, Young & Logan, Long Beach, California

CASE INFORMATION

Statement of Claim filed: May 18, 1993

Claimants' Submission Agreements signed as follows:

Marla Fidler: March 10, 1993

Michael Fidler: February 19, 1993

Jonathan Fidler: February 9, 1993

Harriet Fidler: February 6, 1993

Six Percent Management Company, also known as Robert Fidler:
August 17, 1993

Nicky Blair, Limited: February 3, 1993 and August 19, 1993

Statement of Answer filed by Respondent Bateman Eichler, Hill Richards, Inc., also known as Kemper Securities, Inc.: June 7, 1994

Statement of Answer filed by Respondent Noel R. Eichenlaub: May 18, 1994

Respondents' Submission Agreements signed as follows:

Bateman Eichler, Hill Richards, Inc.: May 13, 1994

Noel R. Eichenlaub: May 23, 1994

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):

March 3, 1995 (one session)

Hearing Date(s)/Session(s): March 7, 1995 (two sessions)

March 8, 1995 (two sessions)

March 13, 1995 (one session)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimants alleged the following causes of action with respect to their investments in Emerald Mortgage Investments Corporation (EMIC) common stock: 1) Misrepresentations; 2) Concealment and Failure to Disclose; and 3) Breach of Fiduciary Duty and Fraud.

Respondent Bateman Eichler, Hill Richards, Inc. (BEHR) denied each and every allegation of wrongdoing and liability set forth and/or implied in Claimants' Statement of Claim. BEHR alleged that Robert Fidler, a sophisticated investor, had power of attorney over the accounts of all of the Claimants and ordered and directed all of the trading and inter-account transfers, which are the subject of this dispute. BEHR further alleged that Claimants' filing of their Claim is a hindsight attack on a particular investment which has not performed as expected. BEHR further alleged that due to the length of time between the actions complained of and the filing of Claimants' Claim, Claimants should be barred from pursuing their claims based upon the grounds of statute of limitations and the equitable doctrine of laches. BEHR further alleged that Claimants received full disclosure about the EMIC investment and received a

prospectus which fully described the risks associated with Claimants' investment. BEHR also asserted affirmative defenses.

Respondent Noel R. Eichenlaub denied any liability to Claimants and alleged that: 1) Mr. Fidler had complete control of his account; 2) all orders in his account were instructed by Mr. Fidler and entered unsolicited; 3) all orders were always entered at a limit price as instructed by Mr. Fidler; 4) Mr. Fidler wanted to be informed about all new issues; 5) there were very few transactions in his account; and 6) at no time was there ever any discretion permitted or exercised by Mr. Eichenlaub regarding Mr. Fidler's account.

RELIEF REQUESTED

Claimants requested judgment against the Respondents as follows:

First Claim For Relief

1. For damages from the securities transactions in the amount of at least \$180,000.00;
2. For prejudgment interest from the time of the transactions in loss, to the time of judgment, in an amount to be proven at the time of arbitration;
3. For general damages in the amount of \$100,000.00 or an amount to be proven at the time of arbitration;
4. For exemplary damages in the amount of \$100,000.00 or an amount to be proven at the time of arbitration;
5. For cost of suit;
6. For reasonable attorney's fees; and
7. For such other and further relief as the arbitrators deem just and proper.

Second Claim For Relief

1. For damages from the securities transactions in the amount of at least \$180,000.00;
2. For prejudgment interest from the time of the transactions in loss, to the time of judgment, in an amount to be proven at the time of arbitration;
3. For general damages in the amount of \$100,000.00 or an amount to be proven at the time of arbitration;

4. For exemplary damages in the amount of \$100,000.00 or an amount to be proven at the time of arbitration;
5. For cost of suit; and
6. For reasonable attorney's fees.

Third Claim For Relief

1. For damages from the securities transactions in the amount of at least \$180,000.00;
2. For prejudgment interest from the time of the transactions in loss, to the time of judgment, in an amount to be proven at the time of arbitration;
3. For general damages in the amount of \$100,000.00 or an amount to be proven at the time of arbitration;
4. For exemplary damages in the amount of \$100,000.00 or an amount to be proven at the time of arbitration;
5. For cost of suit; and
6. For reasonable attorney's fees.

BEHR requested:

1. Dismissal of Claimants' Statement of Claim in its entirety;
2. Costs and expenses; and
3. Such other and further relief as the arbitration panel deems just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 31, 1994, the National Association of Securities Dealers, Inc. (NASD) closed the above-captioned file because of pending deficiencies with respect to Claimants' filing. The administration of this matter proceeded on or about April 20, 1994.

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. All claims by Claimants, including the claims for exemplary damages, are dismissed.

2. 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 Claimants. Claimants are assessed \$300.00 for the pre-hearing session held March 3, 1995. The remaining forum fees are to be split between Claimants and Respondents and are calculated as follows:

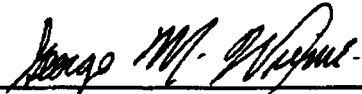
Five hearing sessions @ \$750.00/session	=	\$3,750.00
Total fees assessed	=	\$3,750.00
Claimants' share, jointly and severally (50%)	=	\$1,875.00
Credit for hearing deposit	=	\$ 750.00
Balance due	=	\$1,125.00
Respondents' share, jointly and severally (50%)	=	\$1,875.00
Balance due	=	\$1,875.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
George M. Wiener, Esq.	Public Arbitrator
Lionel S. Heller	Public Arbitrator
Ronald K. Witter	Industry Arbitrator

Concurring Arbitrators' Signatures



George M. Wiener, Esq.

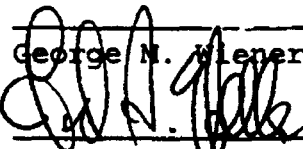
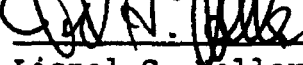
Lionel S. Heller

Ronald K. Witter

Date Served: 5-3-95

Date of Decision: April 20, 1995

Concurring Arbitrators' Signatures


George M. Wiener, Esq.

Lionel S. Meller

Ronald K. Witter

Date Served: 5-3-95

Date of Decision: 4/20/95

Concurring Arbitrators' Signatures

George M. Wiener, Esq.

Lionel S. Heller

Ronald K. Witter

Ronald K. Witter

Date Served: 5-3-95

Date of Decision: 3/13/95