

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Allan J. Kogan IRA w/First Trust Corp. TTEE,
Allan J. Kogan Money Purchase Plan w/First Trust Corp. TTEE, and
Miriam H. Kogan IRA w/First Trust Corp. TTEE
Claimants,

v.

No. 93-04117

Peter Reardon,
Lone Mountain Securities, Inc., and
Pinnacle Peak International Asset Management Company,
Respondents.

REPRESENTATION OF PARTIES

Claimants Allan J. Kogan IRA w/First Trust Corp. TTEE, Allan J. Kogan Money Purchase Plan w/First Trust Corp. TTEE, and Miriam H. Kogan IRA w/First Trust Corp. TTEE ("Claimants") were represented by David C. Anson, Esq. of DeConcini, McDonald, Brammer, Yetwin & Lacy, Tucson, Arizona.

Respondents Peter Reardon, Lone Mountain Securities, Inc., and Pinnacle Peak International Asset Management Company ("Respondents") were represented by David R. Jordan, Esq. of Titus, Brueckner & Berry, Scottsdale, Arizona.

CASE INFORMATION

Claimants' Statement of Claim was filed on or about September 29, 1993. Claimants' Submission Agreement was signed on September 29, 1993.

Respondents' Answer was filed on or about May 10, 1994. Respondents' Submission Agreement was signed on December 22, 1993.

HEARING INFORMATION

Hearing dates: January 18, 1995. Two (2) sessions.
March 9, 1995. One (1) session.

Hearing Location: Scottsdale, Arizona.

CASE SUMMARY

Claimants' claim against the Respondents arises out of the sale in November, 1992 of the sale of Ampal American Israel Corp. Zero Coupon Debentures ("Ampal Bonds") and a State of Israel Dollar Bond ("Israel Bond"). Claimants alleged that Respondents had a fiduciary duty to Claimants to act

reasonably and to provide reasonable investment advice to the Claimants in relation to the Ampal and Israel Bonds. Claimants further alleged that Respondents breached their fiduciary duty and acted negligently by selling the Ampal and Israel Bonds on the open market rather than complying with the redemption provisions provided under the terms of the bonds.

For their Answer, Respondents, unless otherwise admitted, denied the allegations contained in the Statement of Claim. Respondents asserted that all actions taken in connection with transactions involving Ampal Bonds and Israel Bonds involving Claimants' accounts were in strict compliance with the unsolicited instructions from Claimants. Respondents further denied that they breached any contract with the Claimants, or that the Claimants incurred any damages as a result of Respondents' acts or omissions.

RELIEF REQUESTED

Claimants requested an award of \$33,598.80, plus ten percent (10%) simple interest. Claimants further requested an award of attorneys' fees and costs.

Respondents requested that the Claimants take nothing by their claim, that Claimants be assessed all forum fees and that Respondents be awarded their reasonable attorneys' fees and costs.

OTHER ISSUES CONSIDERED & DECIDED

Claimants did not file with the NASD a properly executed Submission to Arbitration. Claimants are required to submit to arbitration pursuant to an agreement between the parties. Claimants have filed a Statement of Claim, and have appeared at the hearing. Therefore, the Claimants are bound by the determination of the panel on all issues submitted.

Respondents filed a Motion to Strike Claimants' Exhibits numbered 17 and 18. After reviewing the motion and the Reply, and deliberation, the undersigned arbitrators issued their decision denying the motion at the hearing held on March 9, 1995.

The parties have agreed that the Award in this matter may be executed by 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(s) 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. Claimants' Claims asserted against the Respondents are, and each of them, denied and dismissed with prejudice.

OTHER COSTS

Each party shall bear its own costs associated with this arbitration, including attorneys' fees, except as set forth more fully below.

FORUM FEES

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

3 hearing sessions @ \$400.00 per session
Total hearing sessions to be assessed: \$1,200.00

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure (the "Code"), the NASD shall **retain** the nonrefundable filing fee in the amount of \$120.00, and shall **retain** the hearing session deposit in the amount of \$400.00 previously paid to the NASD by the Claimant.

Pursuant to Section 45 of the Code, Respondents Lone Mountain Securities, Inc. and Pinnacle Peak International Asset Management Company are each assessed a member surcharge in the amount of \$200.00.

Additional Forum Fees in the amount of \$800.00 are assessed against the Claimant.

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

CONCURRING ARBITRATORS

Dated:

Name:

March 16, 1995

Michael W. Sillyman /s/
Michael W. Sillyman
Presiding Chair
Public Arbitrator

March 16, 1995

Richard B. Bequette /s/
Richard B. Bequette
Industry Arbitrator

March 21, 1995

Gloria S. Perez /s/
Gloria S. Perez
Public Arbitrator