

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Peter Koehler

93-04440

Names of Respondents

William Blair & Co. and Edward Dellin

REPRESENTATION

Claimant, Peter Koehler ("Koehler") was represented at the hearing by J. William Holland, Esq. of Holland & Holland, Chicago, Illinois.

Respondents William Blair & Co. ("Blair") and Edward Dellin ("Dellin") were represented at the hearing by Frederick V. Lochbihler, Esq. of Chapman & Cutler, Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on October 7, 1993. A Submission Agreement was signed by Koehler on September 27, 1993.

A Joint Statement of Answer was filed with the NASD by Respondents Blair and Dellin on or about March 18, 1994. A Submission Agreement was signed by Dellin on April 6, 1994. A representative from Blair was present at the hearing.

HEARING INFORMATION

A pre-hearing conference was held on November 23, 1994 for one (1) session.

The hearing was held on December 8, 1994, for two (2) sessions in Chicago, Illinois.

CASE SUMMARY

Claimant Koehler alleged that Respondents Blair and Dellin, in connection with a purchase by Koehler of 6,000 shares of Allstate Financial Corporation through Respondents in February and May of 1993, breached a fiduciary duty to Koehler; committed fraud, engaged in misrepresentation, and negligence; breached a duty of supervision; and violated Section 10b and Rule 10b-5 of the Securities and Exchange Act of 1934, as well as Section 17a of the Securities and Exchange Act of 1933. Koehler also alleged that Blair and Dellin were privy to material non-public information relating to Allstate Financial Corporation and that they breached their duty to report that information to Koehler.

In their Answer, Respondents Blair and Dellin denied each and every allegation in the Statement of Claim. Blair and Dellin alleged that the recommendation to Koehler was solicited by Koehler, that Koehler knew of the speculative nature of the investment, and that they never possessed material non-public information regarding Allstate. Furthermore, Blair and Dellin claimed that Koehler's allegations were unsupported by the facts in the Statement of Claim.

RELIEF REQUESTED

Claimant Koehler requested rescission of the securities transaction and return of Claimant's funds in the amount of \$85,000; compensatory damages in the amount of \$45,000; pre-award interest, commissions, and dividends; and reasonable attorneys fees and costs.

Respondents Blair and Dellin requested that Koehler's Claim be denied in its entirety, and that Koehler be directed to reimburse Respondents for all costs and expenses, including compensation for lost business.

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 and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The Claimant's Statement of Claim is denied in its entirety and the Respondents are hereby dismissed;

2. Each of the parties shall bear their own costs and expenses incurred, other than those specifically enumerated for herein.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

The NASD shall retain the nonrefundable filing fee in the amount of \$200 and the hearing session deposit in the amount of \$750 which were previously deposited with the NASD by Claimant.

2 hearing sessions X \$750.00 = \$1,500.00 minus hearing session deposit of \$750.00 = net \$750.00 due to the NASD.

The panel has ordered that the Respondent, William Blair & Co., pay additional forum fees to the NASD in the amount of \$750.00.

Additional Forum Fees assessed by the panel are payable to the National Association of Securities Dealers, Inc.

By the Arbitration Panel:

Dated:

s/s Kent Lawrence
Kent Lawrence, Esq.
Public Arbitrator
Chairperson

12/21/94

s/s Donald Whiteman
Donald Whiteman
Industry Arbitrator

12/21/94

s/s Dennis A. Bell
Dennis A. Bell
Public Arbitrator

12/21/94

Date Award served by the NASD: 12/22/94