

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Norma Hendrick, Trustee

v.

NASD Arbitration
No. 93-04998

Name of Respondent(s)

Kennedy, Cabot & Company and
Erik Gene Nedrud

REPRESENTATION

For Claimant: Michael Huberman, Greenbaum & Ferentz,
Newport Beach, California

For Respondents: George H. Kupper, Kennedy, Cabot & Co.,
Beverly Hills, California

CASE INFORMATION

Statement of Claim filed: November 30, 1993

Joint Statement of Answer filed by Respondents: April 26, 1994

Claimant's Submission Agreement signed: November 23, 1993

Respondent Kennedy, Cabot & Co.'s Submission Agreement signed: March 14, 1994

Respondent Erik Gene Nedrud's Submission Agreement signed: March 1, 1994

HEARING INFORMATION

Pre-hearing Telephone Conference: March 1, 1995 (one session)

Hearing Dates / Sessions: April 4, 1995 (two sessions)
April 5, 1995 (two sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents gave improper advice to Claimant in regards to the exercise or sale of Claimant's spectrum warrants. Claimant further alleged that Respondents perpetrated fraud upon Claimant, that Respondents intentionally or negligently supervised Claimant's account, and that Respondents violated California Corporations Code Section 24246 and the rules, regulations, customs and usages of the various exchanges.

Respondents claimed that they acted correctly and gave Claimant helpful and accurate advice. Respondents maintained that they never implied nor stated that the suggested method of depositing claimant's warrants in good, deliverable form into her trust account was the only one available to her.

RELIEF REQUESTED

Claimant sought recovery of losses in excess of \$85,000.00, lost profits, pre-award and post-award interest at the highest legal rate, costs of suit, and attorney's fees.

Respondents requested that all claims for damages be dismissed and that no attorney's fees, forum costs or other costs be awarded.

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 original remains 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. Respondent Kennedy, Cabot & Company is liable for and shall pay Claimant the sum of Thirty-One Thousand, Two Hundred Fifty Dollars (\$31,250.00) plus interest at 8% from May 17, 1993, to April 5, 1995.
2. All claims against Respondent Erik Gene Nedrud are dismissed.
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:

One pre-hearing conference @ \$300/session	- \$ 300.00
<u>Four hearing sessions @ \$500/session</u>	<u>- 2,000.00</u>
Total fees	- \$ 2,300.00
 Claimant's one-half share	- \$ 1,150.00
<u>Credit for hearing deposit</u>	<u>- 500.00</u>
Claimant's balance due	- \$ 650.00
 <u>Respondents' one-half share</u>	<u>- \$ 1,150.00</u>
Respondents' balance due	- \$ 1,150.00

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

ARBITRATORS

Name Public / Industry

Concurring Arbitrators' Signatures

Herman R. Friedberg
Charles Ajamian
Thomas J. Doyle

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Herman R. Friedberg

Charles Ajamian
Charles Ajamian

Thomas J. Doyle

Date Served: 4-26-95