

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Robert V. and Marian Dorian

94-00135

Name of Respondents

J.B. Hanauer & Co.
Jeffrey Bukantz

REPRESENTATION

For Claimants Robert V. Dorian and Marian Dorian ("The Dorians"):
William
Ponsoldt, Esq. of Kohl Metzger Spotts, P.A., Stuart, Florida.

For Respondents J.B. Hanauer ("Hanauer") and Jeffrey Bukantz
("Bukantz"):
David H. Lichter, Esq., of Kenny Nachwalter Seymour Arnold
Critchlow &
Spector, P.A., Miami, Florida.

CASE INFORMATION

Statement of Claim filed on January 1, 1994 .

Claimant's Submission Agreement signed on: December 20, 1993

Joint Statement of Answer filed by Respondents on March 10, 1994.

Respondent, Hanauer's Submission Agreement signed on January 25,
1994 by
Greg Plifka on behalf of the firm.

Respondent, Bukantz's Submission Agreement signed on: February
16, 1994.

HEARING INFORMATION

On February 3, 1995 in Fort Lauderdale, Florida, a Pre-hearing
Conference
lasting 1 session was conducted via telephone conference call

with an
arbitrator.

On March 1 and 2, 1995 in Fort Lauderdale, Florida, hearings
lasting 4
sessions were conducted.

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CASE SUMMARY

Claimants, alleged that they are inexperienced investors whose
investment
objective was tax free income for their retirement. Claimants
further stated
that they relied on every recommendation made by Respondent,
Bukantz, for
their investment account at J. B. Hanauer; that from 1987 to
1990, the broker
at J.B. Hanauer handling Claimants' account made 14 trades and
that from
1990 to 1993, Jeffrey Bukantz handled Claimant's account and made
more
than 100 trades with an average bond holding period of a little
over a year.
Claimants contended that the excessive trading was done
intentionally through
strategy of placing Claimants in bonds with short call dates so
that more bonds
could be purchased thereby earning more commissions for
Respondents.
Claimants further stated that during the three year period that
Bukantz handled
Claimants' account, Respondents received \$176,000.00 in
commissions on an
account with an average value of \$525,000.00. Claimants
requested
\$176,000.00 in compensatory damages, \$528,000.00 in punitive
damages and
\$75,428.57 in attorneys' fees.

Respondents denied all allegations of wrongdoing and contended
that all of the
trading in the account was in accordance with Claimants' trading
history and
investment objectives. Respondents also contended that a
significant number
of transactions executed in the account were the result of calls
on bonds that
Claimants had purchased, the proceeds of which needed to be
reinvested.
Respondents asserted that Claimants received all of their monthly

statements
and confirmations and never voiced complaints about the trading
in their
account. Respondents argued that Claimants showed a substantial
total net
profit on their account during the period about which they
complain.
Respondents also claimed that Claimants' claim for fiduciary
relationship and
negligence were barred by Florida's economic loss rule, that
there is no
private right of action for violation of the rules of the NASD,
and that the
statute of limitations barred Claimants' claims under the
Securities Exchange
Act of 1934 and under Section 517 of the Florida Securities and
Investor
Protection Act.

RELIEF REQUESTED

Claimants requested: Compensatory damages in the amount of
\$176,000.00,
punitive damages in the amount of \$528,000.00 and attorneys' fees
in the
amount of \$75,428.57.

Respondents requested: That claims asserted against them by
Claimants be
dismissed, and that all costs and expenses associated with this
arbitration
including attorney's fees be paid by Claimants.

OTHER ISSUES CONSIDERED & 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(s) remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence
presented at
the hearing and post hearing submissions (if any), the
undersigned arbitrators
have decided in full and final resolution of the issues submitted
for determina-
tion as follows:

1. Respondents, J.B. Hanauer and Bukantz are found jointly and severally liable and shall pay to the Claimants the amount of \$50,000.00.
2. Claimants' request for punitive damages is hereby denied.
3. Claimants' request for attorney's fees is hereby denied.
4. All other claims are denied.

OTHER COSTS

Apart from the Forum Fees assessed below, the parties shall each bear all costs incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$2,300.00 (1 pre-hearing conference x \$300.00 plus 4 sessions x \$500.00).

1. Respondents, J.B. Hanauer and Bukantz, are hereby assessed \$2,300.00, jointly and severally, \$500.00 of which shall be paid directly to the Claimants, and \$1,800.00 of which shall be paid to the National Association of Securities Dealers, Inc.

The NASD shall retain the non-refundable filing fee of \$150.00 paid by the Claimants.

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

ARBITRATION PANEL

Concurring Arbitrators' Signatures
Name

Public/Industry

/s/

John J. Hearn, Esq.

Public/Chairman

/s/

Abe Mintz

Public/Panelist

/s/

George L. Davis

Industry/Panelist

Date of Decision: April 4, 1995

The following Arbitrator(s) concur(s) with the award:

none

The following Arbitrator(s) dissent(s) with the award:

none