

**NATIONAL ASSOCIATION OF SECURITIES DEALERS
AWARD**

In the matter of the Arbitration Between

JANICE B. HEIM, an individual, and as Trustee of
the J.B. HEIM REVOCABLE TRUST,

Claimants,

v.

NASD No. 94-00561

DAVID A. PARK, DIANA R. MARINIELLO-PARK,
DAVID DUKE MANAGEMENT CORP., DDM
EQUITY MANAGEMENT CORP., DAVID DUKE
FINANCIAL, INC., DELTAVEST FINANCIAL, INC.,
LARRY P. CARHARTT and MICHAEL E. PLATT,

Respondents.

Representation

For Claimant: Brad L. Axelrod, Esq. of the Law Offices of Brad L. Axelrod, Los Angeles,
California

For Respondents: Irving Einhorn, Esq. of Einhorn & Edgerton, Los Angeles, California, for all
Respondents except Larry P. Carhartt who was pro se
For Respondent Larry Carhartt (Carhartt): Pro se, no appearance

Case Information

Statement of Claim filed: February 10, 1994

Claimant's Submission Agreement signed: January 30, 1994

Statement of Answer filed on: Although duly served, no Respondent filed an Answer

Respondents' Submission Agreement signed on: Although duly served, no Respondent filed a
Submission Agreement. All Respondents, except DDM Equity Management, also known as
David Duke Management Corp., are subject to National Association of Securities Dealers
(NASD) jurisdiction in accordance with Section 12 of the NASD Code of Arbitration Procedure.

Respondent David Park (Park) filed a bankruptcy petition after the arbitration began and the case was therefore stayed as to him.

Hearing Information

Prehearing Conference Dates/Sessions: January 9, 1995 (convened but not held as Respondents would not participate, so the jurisdiction issue was deferred to the first day of hearing).

Hearing Dates/Sessions: January 11, 1995/two, January 16, 1995/one, March 30, 1995/one

Hearing Location: Los Angeles, California

Case Summary

Claimant alleged:

Securities fraud, misleading trade practices, fraud, failure to supervise, unsuitable recommendations, conversion, unjust enrichment, breach of fiduciary duty, good faith and fair dealing, negligent misrepresentation and intentional and negligent infliction of emotional distress in the purchase of the limited partnerships Natural Foods LP (NF) and Quest, the Boardwalk Fund (Fund) and a loan made to Respondents by Claimants.

Claimant Janice Heim (Heim) and her husband Kurt Heim first met and opened an account with Respondent David Park (Park) in 1983. At that time Mr. Heim was a 73-year-old retiree who had worked in a mattress factory and had started a bedding manufacturing business which continued for 13 years. Mrs. Heim was 66 years old in 1982, had no formal investment training, had a high school diploma and had worked as a secretary. Mr. Heim passed away in 1988.

Deltavest Financial (Deltavest) and DDM Equity Management (DDM) at all times have been owned, controlled or otherwise dominated by Park and they are the alter-ego of Park. Park was licensed and registered with the NASD and a principal, officer and director of each of the Respondent corporations, as were Respondent Diana Mariniello-Park, Larry Carhartt and Michael E. Platt. Respondent David Duke Financial (Financial) incorporated in 1986 and changed its name to Deltavest in 1992. Respondents David Duke Management and DDM are the same entity. David Duke Management filed a change in corporate name to DDM in April 1992.

Respondents did not file any Answers. The proceedings were stayed as to Park due to the filing of a bankruptcy petition. Respondents Deltavest, also known as David Duke Financial, Inc., Diana R. Mariniello-Park and Michael Platt settled with Claimant and were dismissed as parties prior to the conclusion of the hearing. The only remaining party was therefore Larry Carhartt, against which Claimant submitted her case after the stay of proceedings with respect to Park and

settlement by the other Respondents.

Relief Requested

Claimant requested:

1. General and special damages of not less than \$100,000;
2. Interest at the legal rate;
3. Punitive damages;
4. An order adjudicating all agreements rescinded and awarding restitution based on said rescission;
5. Costs;
6. Attorneys' fees.

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.

The following motions were heard at the hearing:

1. Respondents' Section 15 motion was taken under submission pending presentation of evidence and then not decided because of the settlements and the bankruptcy stay.
2. Motions to Dismiss for lack of jurisdiction on behalf of Platt, DDM, also known as David Duke Management, Inc., were taken under submission pending presentation of evidence. Platt settled with Claimant. Respondent DDM's motion was granted.
3. Motions to Dismiss David Duke Financial, Diana Mariniello-Park were denied.
4. Promissory note claims were deemed obligations of David Park and stayed due to his bankruptcy filing.
5. Claimants' Motion to Bar was denied subject to limiting any prejudice to Claimant as a result of the Respondents' failure to file and Answer.

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. Each and every claim against Larry Carhartt is dismissed;
2. The parties shall each bear their respective attorney's fees;
3. The parties shall each bear their respective costs.

Other Costs

None.

Forum Fees

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall retain the \$500 hearing session deposit previously paid by the claimant. Forum fees are assessed against:

Claimant for \$250, and

Respondents Deltavest Financial and Larry Carhartt, jointly and severally for \$750,

calculated as follows: one prehearing session at \$300/prehearing session, plus four hearing sessions at \$500/hearing session, (the correct hearing deposit for a claim up to \$100,000) equals \$2,300, of which only \$1,500 was assessed, divided equally between Claimant (already paid by hearing deposit) and indicated Respondents.

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

Arbitration Panel

<i>Name</i>	<i>Public/Industry</i>
Fred Kallet	Public
Richard Mannheimer	Public
Roberta Haft	Industry

Concurring Arbitrators' Signatures



Fred Kallet

Richard Mannheimer

Roberta Haft
Served 4/24/95

Date of Decision:

4/20/95

Other Costs

None.

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