

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

J. Richard Matson

94-02208

Name of Respondent

Kemper Securities, Inc.

REPRESENTATION

For Claimant, J. Richard Matson ("Matson"): Frank Strelec, Esq. of Williams, Parker, Harrison, Dietz & Getzen, Sarasota, Florida.

For Respondent, Kemper Securities Inc. ("Kemper"): Renan I. Sugarman, Esq. of Kemper Securities, Inc., Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed: 6/9/94.

Claimant's Submission Agreement signed on: 6/2/94.

Respondent, Kemper's Statement of Answer filed on: 12/12/94.

Respondent, Kemper's Submission Agreement signed on: 12/5/94.

HEARING INFORMATION

Hearing Dates/Sessions: On 3/27/96 and 3/28/96 a hearing consisting of (4) four sessions was held in Tampa, Florida.

CASE SUMMARY

Claimant alleged Respondent did not pay commissions in the form of a warrant. The option to purchase stock provided by this warrant was allegedly due as compensation for certain employee investment banking services provided by Claimant.

Respondent alleged the warrant in question was issued to Respondent one and a half (1 1/2) years after Claimant left Respondent company; that Claimant left the employ of Respondent over five (5) years from the filing of the Answer; that Claimant should not be allowed to choose the near top of the market of the underlying stock for calculating damages; that Claimant declined an opportunity given by Respondent to purchase the shares in question for the offering price.

RELIEF REQUESTED

Claimant requested the opportunity to purchase 6,600 shares of stock in HCC Holdings for \$8.50 per share, or in the alternative, requested compensatory damages of \$138,600 which is the difference between the warrant price of \$8.50 per share and the price of the September 3, 1993 offering, which was \$29.50 per share.

Respondent requested the Statement of Claim be dismissed with prejudice.

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 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 (if any), the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Kemper, is hereby found liable, and shall pay to the Claimant the amount of One Hundred Thousand Dollars (\$100,000.00).

OTHER COSTS

Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the Panel has assessed Forum Fees in the amount of \$3,000.00 (four hearing sessions X \$750.00).

1. Respondent, Kemper, is hereby assessed Forum Fees in the amount of \$1,500.00. payable to National Association of Securities Dealers, Inc.

2. Claimant, Matson, is hereby assessed \$1,500.00 for which the NASD shall retain the \$750.00 previously deposited in partial satisfaction thereof leaving a balance due of \$750.00 payable to the National Association of Securities Dealers, Inc.
3. The NASD shall retain the non-refundable filing fee of \$500.00 paid by Claimant.
4. Claimant, Matson, is also liable and shall pay to the NASD \$750.00 for the postponement fee which is outstanding.

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

Concurring Arbitrators' Signatures
Name

/s/
Arthur De Stefano

Chairperson/Industry

/s/
Richard M. Kowalske

Panelist/Industry

/s/
Norman Morris

Panelist/Industry

Date of Decision: April 23, 1996