

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Virginia Bell, Susan Conrad, Virginia Walleck Logan as co-trustees
of The Virginia Walleck Logan Trust; Virginia Walleck Logan

NASD Arbitration
No. 94-03788

Name of Respondents

Corporate Benefit Securities, Inc.; Patrick R. Hobert; Leonard Kahn; Russell Alan Smith;
Jonathan Honousek; Weldon Gibson; Steven Peeler; William Stout; and Jonathan Babolia

REPRESENTATION

For Claimants:

Robert A. Uhl, Esq.
Aidikoff & Uhl
Beverly Hills, California

For Respondents Corporate Benefit
Securities, Inc., Jonathan Honousek, Russell
Alan Smith, Leonard Kahn, Steven Peeler,
Weldon Gibson, Jonathan Babolia, William Stout:

Matthew Rutherford, Esq.
Law Offices of Matthew Rutherford
San Diego, California

For Respondent Patrick R. Hobert:

Richard D. Koehler, Jr.
CKS Securities, Inc.
Lexington, Kentucky

CASE INFORMATION

Statement of Claim filed:	September 16, 1994
First Amended Statement of Claim:	December 19, 1994
Second Amended Statement of Claim:	January 7, 1995
Third Amended Statement of Claim:	November 8, 1995
Claimants' Submission Agreements signed:	July 15, 1994
Statement of Answer filed by Respondent Corporate Benefit Securities, Inc.:	August 17, 1995
Statement of Answer filed by Respondent Patrick R. Hobert:	March 3, 1995
Statement of Answer filed by Respondents Jonathan J. Honousek, Russell Alan Smith, Leonard Kahn, Steven Peeler, Weldon Gibson, Jonathan Babolia:	January 22, 1996
Respondent Corporate Benefit Securities, Inc.'s Submission Agreement signed:	August 14, 1995
Respondent Patrick R. Hobert's Submission Agreement signed:	March 1, 1995
Respondent Jonathan Honousek, William Stout, Steven Peeler and Jonathan Babolia's Submission Agreement signed:	May 24, 1996

HEARING INFORMATION

Pre-Hearing Conference Date / Session:	February 29, 1996 (1 session)
Hearing Dates / Sessions:	May 21, 1996 (2 sessions) May 22, 1996 (2 sessions) May 23, 1996 (2 sessions) May 24, 1996 (2 sessions) July 24, 1996 (2 sessions) July 25, 1996 (3 sessions)
Hearing Location:	Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondents made unsuitable investments and committed breach of fiduciary duty, fraud, failure to supervise, elder abuse as defined in Sections 15610(f) and 15657 of the California Welfare and Institutions Code, violations of the Federal Securities laws, violations of the California Corporations Code and violation of the NASD and NYSE rules of fair practice. Specifically, Claimants alleged that Respondents induced Claimant Virginia Walleck Logan to purchase numerous limited partnership investments which were unsuitable given Claimant Virginia Walleck Logan's investment objectives. Additionally, Claimants alleged that Respondent Hobert improperly solicited a loan from Claimant Virginia Walleck Logan and then did not repay the loan until two years and five months after the loan was originally due.

Respondents denied Claimants' allegations in their entirety.

RELIEF REQUESTED

Claimants sought general damages in the amount of \$155,980.00, commissions earned, lost opportunity cost in an amount according to proof, interest on all sums recovered at the legal rate, costs, punitive damages, attorneys' fees and costs pursuant to sections 15610(f) and 15657 of the California Welfare and Institution Code.

Respondents sought dismissal of the Statement of Claim, costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant's claims against Prudential were resolved pursuant to the SEC's expedited arbitration process; therefore, Prudential was not named as a respondent in the Third Amended Statement of Claim.

After the Arbitration had ended but prior to the Award being rendered, the NASD was notified that Respondent Russell Alan Smith had been dismissed from the proceeding.

The parties have agreed that the Award in this matter may be executed in either 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. Claimants are awarded the amount of \$85,922.00 in compensatory damages against Respondents Corporate Benefit Securities, Inc., Patrick R. Hobert and William Stout jointly and severally.
2. No interest or punitive damages are awarded to Claimants.
3. Each party shall bear its/her/his own costs and attorneys' fees.
4. The forum fees shall be assessed in the following manner:
 - One-Half against Claimants
 - One-Half against Respondents Corporate Benefit Securities, Inc., Patrick R. Hobert and William Stout jointly and severally

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

One (1) Pre-Hearing Conference @ \$300.00 / Session	=	\$300.00
<u>Thirteen (13) Hearing Sessions @ \$750.00 / Session</u>	=	<u>\$9,750.00</u>
Total Forum Fees Assessed	=	\$10,050.00
 Claimants' One-Half Share	=	\$5,025.00
<u>Credit for Hearing Session Deposit</u>	=	<u>\$750.00</u>
Claimants' Balance Due	=	\$4,275.00
 Respondent Corporate Benefit Securities, Inc., Patrick R. Hobert and William Stout's One-Half Share (jointly and severally)	=	<u>\$5,025.00</u>
Respondents' Balance Due	=	\$5,025.00

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

RECEIVED

ARBITRATORS

NASD-Registration Statement

<u>Name</u>	<u>Public / Industry</u>
Delores I. Smith, Esq.	Public Arbitrator
Jeffrey E. Skogsbergh	Industry Arbitrator
Thornton V. Allen, Jr.	Public Arbitrator

Concurring Arbitrators' Signatures

Delores I. Smith, Esq.
Delores I. Smith, Esq.

Jeffrey E. Skogsbergh

Thornton V. Allen, Jr.

Date of Decision: _____

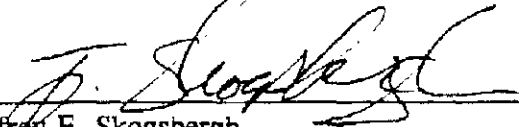
Date of Service: _____

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Jeffrey E. Skogsbergh	Industry Arbitrator
Thornton V. Allen, Jr.	Public Arbitrator

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Delores I. Smith, Esq.



Jeffrey E. Skogsbergh

Thornton V. Allen, Jr.

Date of Decision: _____

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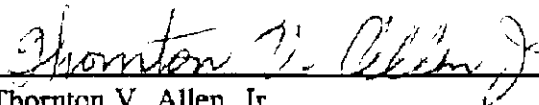
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Jeffrey E. Skogsbergh	Industry Arbitrator
Thornton V. Allen, Jr.	Public Arbitrator

Concurring Arbitrators' Signatures

Delores I. Smith, Esq.

Jeffrey E. Skogsbergh



Thornton V. Allen, Jr.

Date of Decision: _____

Date of Service: 9/4/96