

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Harold and Jean L. Blatt

95-01370

Name of Respondent

Hanover Sterling

REPRESENTATION

Claimants Harold Blatt and Jean L. Blatt ("Claimants") appeared pro se.

Respondent Hanover Sterling ("Respondent") did not appear

CASE INFORMATION

The Statement of Claim was filed March 28, 1995
Claimants' Submission Agreement was signed on March 17, 1995

No Statement of Answer was filed by Respondent
Respondent did not file a Submission Agreement

HEARING INFORMATION

Hearing Date/Sessions: April 8, 1996/one session

Hearing Location: NASD District Office
Philadelphia, PA

CASE SUMMARY

Claimants alleged, among other things, Respondent induced them to authorize unsuitable transactions. Claimants alleged that they are novice investors which Respondent took advantage of. Claimants alleged that they are retired and living on a limited retirement income. Claimants alleged that during an unsolicited telephone call in October 1994, Respondents persuaded Claimants to purchase 1,000 shares of Physician Computer Network ("PCN"). Claimants alleged that on October 31, 1994 Respondent convinced Claimants to purchase American Toys WTS ("ATWTS"). Claimants alleged that Respondent failed to inform Claimants of the risk involved in purchasing warrants. Claimants alleged that on December 7, 1994 Respondent persuaded Claimants sell PCN and use the proceeds to purchase 1,000 additional shares of ATWTS. Claimants alleged that on January 9, 1995 Respondent induced Claimants purchase 1,000

shares of Porter McLeod National Retail WTSC ("Porter"). Claimants alleged that in response to a query by Claimants as to what "warrants" meant, Respondents misrepresented the meaning and the risk involved. Claimants alleged that these transactions were unsuitable for Claimants' investment goals. Claimants alleged that in February 1995 attempts were made to ascertain situation when the price of ATWTS and Porter dropped precipitously but Respondent failed to return telephone calls. Claimants alleged that Respondents are liable for the damage done to Claimants' portfolio.

Respondent did not respond.

RELIEF REQUESTED

Claimants requested \$20,571.84 in damages.

Respondent did not file an Answer or appear, so there is no request for relief.

OTHER ISSUES CONSIDERED & DECIDED

The Presiding Arbitrator exercised his jurisdiction pursuant to Section 12 of the NASD Code of Arbitration Procedure over Respondent Hanover Sterling & Co., Ltd. (Attached as Exhibit A is the notice and hearing information sent by certified mail and a second notice sent via certified mail and return by the US Post Office.) Therefore, Respondent Hanover Sterling & Co., Ltd. is bound by the rulings and determinations of the Presiding Arbitrator.

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy 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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable to and shall pay to Claimant the sum of \$20,571.84, plus interest at six percent (6%) per annum from January 16, 1995 until the date the award is paid.
2. Any relief not specifically addressed herein is denied.

FORUM FEES

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

1 session X \$300 = \$300.00

Forum Fees assessed against Respondent. Respondent is liable to and shall reimburse Claimant for the \$300.00 hearing session deposit previously submitted to the NASD.

Date

Arbitrator's Signature

4/8/96



Charles J. Bloom, Presiding
Public Arbitrator

Date Decision Served by NASD: April 9, 1996