

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant

August E. Nies

v.

Name of Respondents

Diversified Securities, Inc. and Louis S. Faubert

NASD Arbitration
No. 95-01891

REPRESENTATION

For Claimant: Richard Sacks
Investors Recovery Service
Novato, California

For Respondent: James Geffner, Esq.
Burbank, California

CASE INFORMATION

Statement of Claim filed:	April 17, 1995
Amendment to Statement of Claim Filed:	February 13, 1996
Claimant's Submission Agreement signed:	February 22, 1995
Joint Statement of Answer filed by Respondents:	June 21, 1995
Respondent Diversified Securities Inc.'s Submission Agreement signed:	June 15, 1995
Respondent Louis S. Faubert's Submission Agreement signed:	June 15, 1995

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions: February 8, 1996 (1 Session)
June 6, 1996 (1 Session)

Hearing Dates / Sessions: March 5, 1996 (2 Sessions)
March 6, 1996 (2 Sessions)
March 7, 1996 (1 Session)
July 15, 1996 (2 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents made affirmative misrepresentations and wilfully failed to disclose information concerning Claimant's investments. Claimant further alleged unsuitability, fraud, negligence, breach of contract, and breach of fiduciary duty.

Respondents denied all of the Claimant's allegations.

RELIEF REQUESTED

Claimant sought \$150,000.00 in actual damages, interest, costs of this proceeding and exemplary damages.

Respondents requested that Claimant's claim be dismissed with prejudice, that Respondents be awarded costs and that Claimant be assessed all forum fees.

Respondent further filed a motion to dismiss the claim.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents' Motion to Dismiss, pursuant to Section 15 of the NASD Code of Arbitration Procedure, was denied by the arbitration panel.

Claimant's Motion to Amend the Statement of Claim to add Joseph Conway as a Respondent was denied by the Arbitration Panel.

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. Respondents Diversified Securities, Inc. and Louis S. Faubert are jointly and severally liable to Claimant in the amount of \$30,000.00
2. Respondents Diversified Securities, Inc. and Louis S. Faubert shall pay Claimant \$950.00 for arbitration costs and fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed jointly and severally against Respondents:

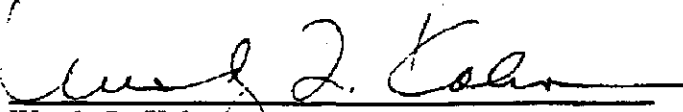
Two Pre-Hearing Conferences @ \$300.00/Session	=	\$ 600.00
Seven Hearing Sessions @ \$750.00/Session	=	\$5,250.00
Total Forum Fees Assessed	=	\$5,850.00
Credit for Hearing Session Deposit	=	\$ 750.00
Respondents' Balance Due	=	\$5,100.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Wendy L. Kohn	Public Arbitrator
Richard C. Ramos	Industry Arbitrator
Homer L. White	Public Arbitrator

Concurring Arbitrators' Signatures


Wendy L. Kohn

Richard C. Ramos

Homer L. White

Date of Decision: _____

Date of Service: _____

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Wendy L. Kohn	Public Arbitrator
Richard C. Ramos	Industry Arbitrator
Homer L. White	Public Arbitrator

Concurring Arbitrators' Signatures

Wendy L. Kohn

Richard C. Ramos

Homer L. White

Date of Decision: July 16th 1996

Date of Service: _____

ARBITRATORS

Name	Public / Industry
Wendy L. Kohn	Public Arbitrator
Richard C. Ramos	Industry Arbitrator
Homer L. White	Public Arbitrator

Concurring Arbitrators' Signatures

Wendy L. Kohn

Richard C. Ramos

Homer L. White
Homer L. White

Date of Decision: July 16, 1996
Date of Service: July 27, 1996