

6/96
N.A.S.D. AWARD

950676
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

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Securities Dealers, Inc.

Name of Claimant(s)

Erik K. Szeto
Yuen Fai Chan

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NASD Arbitration
No. 95-03028

Name of Respondent(s)

Richard Sands
*Sands Brothers & Co., Ltd.

REPRESENTATION

For Claimants: Michael J. Francis, Esq. and William H. Caffee,
Esq., Dunn, Carney, Allen, Higgins & Tongue, Portland, Oregon

For Respondents: Stephen L. Weinstein, Esq., and Richard A.
Edlin, Esq., Solovay Marshall & Edlin, New York, New York

CASE INFORMATION

Statement of Claim filed: June 20, 1995

Claimants' Objection to Respondents' Motion to Stay filed:
September 7, 1995

Claimants' Submission Agreements signed: June 12, 1995

Motion to Decline Arbitration Facilities/Motion to Stay filed by
Respondents: August 16, 1995

Amended Statement of Answer and Counterclaim filed by Respondents:
May 9, 1996

Respondents' Submission Agreement signed: August 16, 1995

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): May 14, 1996 (two sessions)
May 15, 1996 (two sessions)

Hearing Location: Portland, Oregon

CASE SUMMARY

Claimants alleged fraudulent sales activities of Respondents which commenced with a cold call from Respondent Richard Sands on or about August 1, 1993. Claimants further alleged the following claims with respect to their investment in Future Communications, Inc. stock: 1) Negligence; 2) fraud; 3) omission of material facts; 4) failure to supervise; and 5) violation of the antifraud provisions of the Oregon Securities Law, and Securities Exchange Commission Rule 10(b)-5 promulgated pursuant to Section 10(b) of the Securities Exchange Act of 1934.

Respondents alleged that the controversy between Claimants and Respondents is not eligible for arbitration under the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure on the ground that its subject matter is already the subject of class action litigation. Respondents also denied the allegations of wrongdoing set forth in the Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested damages in the amount of \$114,325.50, interest, reasonable attorneys' fees and costs, and punitive damages in the amount of \$500,000.00.

Respondents requested dismissal of the Claim in its entirety, costs, and reasonable attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about April 29, 1996, a majority of the panel of arbitrators reviewed and considered the pleadings and written positions of the parties relative to Respondents' Motion to Stay. The panel denied the Motion to Stay.

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 originals remain 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. All claims by Claimants, including the claim for punitive damages, are dismissed.
2. Respondents' Counterclaim for costs and attorneys' fees is dismissed.
3. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain the \$1,000.00 hearing session deposit previously deposited by Claimants as costs of this proceeding. Additionally, Claimants are assessed \$1,000.00 in connection with the adjourned hearing dates of April 9-11, 1996, in accordance with Section 30(b) of the NASD Code of Arbitration Procedure.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Edward Brunet, Esq.	Public Arbitrator
Robert E.L. Bonaparte, Esq.	Public Arbitrator
Guy E. Jaques	Industry Arbitrator

Concurring Arbitrators' Signatures

Edward Brunet, Esq.

Robert E.L. Bonaparte, Esq.


Guy E. JaquesDate of Decision: 5-15-96

Date Served: 6/12/96

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Concurring Arbitrators' Signatures

Edward Brunet, Esq.

Robert E.L. Bonaparte
Robert E.L. Bonaparte, Esq.

Guy E. Jaques

Date of Decision: _____

Date Served: 6/12/96

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Concurring Arbitrators' Signatures



Edward Brunet, Esq.

Robert E.L. Bonaparte, Esq.

Guy E. Jaques

Date of Decision: 6-4-96

Date Served: G/12/96