

N.A.S.D. AWARD**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

© National Association of
Securities Dealers, Inc.Name of Claimants

— 1996

Lawrence P. Barnes

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v.

NASD Arbitration
No.95-03127Name of Respondents

*Equico Securities, Inc., Joel D. Kettler and George T. Bergh

REPRESENTATION

For Claimant:

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

For Respondent Equico Securities, Inc. :

John Le Blanc, Esq. and
Royal Oakes, Esq.
Barger & Wolen L.L.P.
Los Angeles, CaliforniaFor Respondents Joel D. Kettler and
George T. Bergh:Sam Y. Edgerton, III, Esq.
Edgerton & Nash
Hermosa Beach, California**CASE INFORMATION**

Statement of Claim filed:

June 27, 1995

Claimant's Submission Agreement signed:

June 20, 1995

Statement of Answer filed by Respondent Equico Securities, Inc.:

September 1, 1995

Statement of Answer filed by Respondents Joel D. Kettler
and George T. Bergh:

September 5, 1996

Respondent Equico Securities, Inc.'s Submission Agreement signed:

October 19, 1995

Respondents Joel D. Kettler and
George T. Bergh's Submission Agreements signed:

September 5, 1996

HEARING INFORMATION

Pre-Hearing Conference Date / Session:

July 1, 19% (1 Session)
July 3, 1996 (1 Session)

Hearing Dates / Sessions:

July 30, 19% (2 Sessions)
July 31, 1996 (2 Sessions)
August 1, 1996 (2 Sessions)
September 24, 1996 (2 Sessions)
September 25, 19% (2 Sessions)
September 26, 1996 (2 Sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant claimed that Respondents suggested unsuitable securities, breached their fiduciary duty, abused a dependent adult as defined in California Welfare and Institutions Code Sections 15610 (b)(1) and (f), engaged in fraud, and violated federal securities laws, NASD Rules of Fair Practice and New York Stock Exchange Rules.

Claimant further alleged that Respondent Equico failed to properly supervise its employees.

Respondents denied the allegations of wrongdoing found in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested general and compensatory damages of not less than \$400,000.00 recovery of all commissions received by Respondents in an amount according to proof, lost opportunity cost damages, interest on all sums recovered at the legal rate from August, 1989 to the date of any arbitration award-and recovery of the costs of the proceedings.

Claimant also requested punitive damages, attorney's fees and costs, pursuant to sections 15610.27, 15657 and 15657.1, California Welfare and Institutions Code, and rescission of the limited partnerships.

Respondents requested that Claimant take nothing by way of his Statement of Claim and that Respondents be awarded their fees and reasonable attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

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 pleading, 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. Claimant is awarded and Respondent Equico Securities, Inc. is liable to and shall pay Claimant the sum of **\$135,000.00**.
2. Claimant is awarded and Respondents Equico Securities, Inc. and Joel D. Kettler are jointly and severally liable to and shall pay Claimant the sum of **\$5,000.00**
3. Claimant is awarded and Respondents Equico Securities, Inc. and George T. Bergh are jointly and severally liable to and shall pay Claimant the sum of **\$10,000.00**.
4. Claimant is awarded and Respondent Equico Securities, Inc. is liable to and shall pay Claimant the sum of **\$52,500.00** in reimbursement of attorney fees incurred.
5. Claimant is awarded and Respondent Equico Securities, Inc. is liable to and shall pay Claimant the sum of **\$10,000.00** in reimbursement of reasonable expert witness fees incurred.
6. Claimant's claim for punitive damages is denied in its entirety.
7. The parties shall each bear their respective costs, including attorney's fees except as delineated above.

FORUM FEES

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

Two Pre-Hearing Conferences @ 300.00/Session	=	\$ 600.00
Twelve Hearing Sessions @ \$750.00/Session	=	\$9,000.00
Total Fees Assessed	=	\$9,600.00

Total Forum Fees Assessed to Claimant	=	\$2,450.00
Credit for Hearing Session Deposit	=	\$ 750.00
Claimant's Balance Due:	=	\$1,700.00

Total Forum Fees Assessed to Respondent Equico Securities, Inc.	=	\$4,900.00
Respondent Equico Securities, Inc. 's Balance Due	=	\$4,900.00

Total Forum Fees Assessed to Respondent Joel D. Kettler	=	\$ 750.00
Respondent Joel D. Kettler 's Balance Due	=	\$ 750.00

Total Forum Fees Assessed to Respondent George T. Bergh	=	\$1,500.00
Respondent George T. Bergh's Balance Due	=	\$1,500.00

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

9011377

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Milton Bennett	Industry Arbitrator
David Menaker	Public Arbitrator
John Ohashi	Public Arbitrator

Concurring Arbitrators' Signatures

Milton Bennett

David Menaker

John Ohashi

Date of Decision: _____

Date of Service: _____

961107

ARBITRATORS

Name	Public / Industry
Milton Bennett	Industry Arbitrator
David Menaker	Public Arbitrator
John Ohashi	Public Arbitrator

Concurring Arbitrators' Signatures

<u>Milton Bennett</u>
<u>David Menaker</u>
<u>David Menaker</u>
<u>John Ohashi</u>

Date of Decision: 10/26/96

Date of Service: _____

0611071

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Milton Bennett	Industry Arbitrator
David Menaker	Public Arbitrator
John Ohashi	Public Arbitrator

Concurring Arbitrators' Signatures



Milton Bennett

David Menaker

John Ohashi

Date of Decision: 10/30/96

Date of Service: 11/1/96