

N.A.S.D.R. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

In the matter of the Arbitration Between

Name of Claimant

Josephine J. Thomas, Trustee
of the Josephine J. Thomas Trust
dated 6/28/89

vs.

NASDR Arbitration
No.95-03892

Name of Respondent

Torrey Pines Securities, Inc.
Richard Coates

REPRESENTATION

For Claimant: G. Mark Brewer, Esq., La Jolla, California.

For Respondent Torrey Pines: Eileen L. McGeever, Esq., Rushall & McGeever, Carlsbad,
California

Respondent Richard Coates represented himself.

CASE INFORMATION

Statement of Claim filed: August 10, 1995

Claimant's Submission Agreement signed: August 29, 1995

Statement of Answer filed by Torrey Pines: October 31, 1995

Torrey Pines' Submission Agreement signed: October 30, 1995

Richard Coates did not file a Statement of Answer or a Submission Agreement, but appeared at the hearing and submitted to the panel's jurisdiction.

HEARING INFORMATION

The evidentiary hearing was held in San Diego, California, on November 7, 1996, and lasted 2 sessions.

CASE SUMMARY

Claimant alleged lack of suitability, unauthorized transactions, churning, violation of Welfare and Institutions Code Sections 15610 et seq., fraud, failure to supervise, negligence, and breach of fiduciary duty with respect to investments in common stocks and mutual funds.

Respondent Torrey Pines denied the allegations of the claim, and stated that Claimant was an accredited investor who controlled and directed the trading in her accounts, and that the objectives of all her accounts were long-term growth, income and speculation.

RELIEF REQUESTED

Claimant requested damages of approximately \$70,000.00, plus punitive damages, interest, costs of arbitration and attorney's fees.

Respondent Torrey Pines requested dismissal of all claims.

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 originals remain on file with the NASDR.

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 are jointly and severally liable for and shall pay to Claimant the sum of \$15,000.00 with respect to the claim for unauthorized trading. All other claims, including the claim for punitive damages, are dismissed.

2. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEES

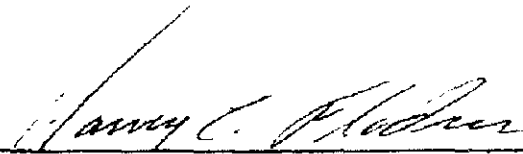
Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASDR shall retain Claimant's \$150.00 non-refundable filing fee, but shall refund the \$500 hearing session deposit.

Respondent Torrey Pines Securities is assessed all forum fees:

2 sessions @ \$500/session: \$1000.00

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

Date signed:



Harvey C. Flodin
Presiding Chairperson
Public Arbitrator

George Hubner
Public Arbitrator

Evan R. Collins, Jr.
Securities Industry Arbitrator

Date served: 12/02/1996

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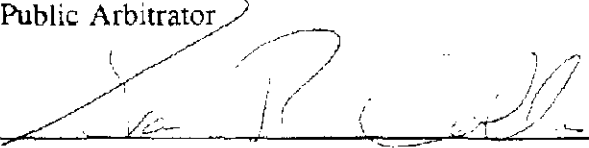
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Date signed:

Harvey C. Flodin
Presiding Chairperson
Public Arbitrator

George Hubner
Public Arbitrator



Evan R. Collins, Jr.
Securities Industry Arbitrator

11/20/96

Date served: 12/02/1996

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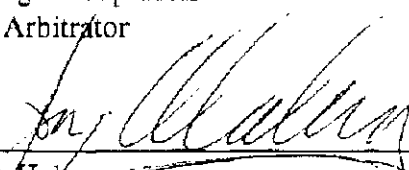
2 sessions @ \$500/session:

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

Date signed:

Harvey C. Flodin
Presiding Chairperson
Public Arbitrator



George Hubner
Public Arbitrator

11/26/96

Evan R. Collins, Jr.
Securities Industry Arbitrator

Date served: 12/02/1996