

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Michael Katz

v.

Arbitration No.
95-04121

Name of Respondents

Biltmore Securities, Inc.,
Howard Gostfrand, and
Paul L. Burton

REPRESENTATION

For Claimant:

Deborah A. Klar, Esq.
Miller & Holguin
Los Angeles, California

For Respondents:

Peri Erlanger, Esq.
Bernstein & Wasserman
New York, New York

CASE INFORMATION

Statement of Claim filed:

August 25, 1995

Claimant's Submission Agreement signed:

August 24, 1995

Joint Statement of Answer filed by Respondents:

October 23, 1995

Respondent Paul Burton's Submission Agreement signed: December 15, 1997

HEARING INFORMATION

Pre Hearing Conference Dates / Sessions: August 23, 1996 (1 Session)
October 14, 1996 (1 Session)
December 3, 1996 (1 Session)

Hearing Dates / Sessions: March 2, 1998 (2 Sessions)
March 3, 1998 (2 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents engaged in intentional misrepresentation, negligent misrepresentation, breach of fiduciary duty, negligence, violation of Section 12(1) of the Securities Act of 1933, and violation of Sections 25503, 25504, and 25504.1 of the California Corporations Code resulting from the purchase of stock in Atrium Holding Co., Inc.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages not less than \$100,000.00, plus interest on \$100,000.00 at the legal rate of 10% per annum from September 1, 1994, punitive damages, rescission of the purchase of the shares and recovery of the original consideration paid for the securities, and reimbursement for costs of suit.

Respondents' Answer did not request any specific relief.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either in 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 Regulation, Inc., Office of Dispute Resolution.

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 of the Claimant's claims, including the Claim for punitive damages, are denied in their entirety.
2. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed against Respondents, jointly and severally:

Two Single Panel Member Pre-Hearing Conference Sessions @ \$300.00/Session	=	\$600.00
One Full Panel Pre-Hearing Conference Session @ \$750.00/Session	=	\$750.00
Four Hearing Sessions @ \$750.00/Session	=	\$3,000.00
Total Fees Assessed against Respondents, jointly and severally	=	\$4,350.00


NASD Regulation, Inc. shall refund Claimant's Hearing Session Deposit.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Louis R. Eglash, Esq.	Public Arbitrator
Michael G. Clark	Industry Arbitrator
Leo B. Babich	Public Arbitrator

Concurring Arbitrators' Signatures



Louis R. Eglash, Esq.

Michael G. Clark

Leo B. Babich

Date of Service: _____

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Louis R. Eglash, Esq.	Public Arbitrator
Michael G. Clark	Industry Arbitrator
Leo B. Babich	Public Arbitrator

Concurring Arbitrators' Signatures

Louis R. Eglash, Esq.



Michael G. Clark

Leo B. Babich

Date of Service: _____

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Louis R. Eglash, Esq.	Public Arbitrator
Michael G. Clark	Industry Arbitrator
Leo B. Babich	Public Arbitrator

Concurring Arbitrators' Signatures

Louis R. Eglash, Esq.

Michael G. Clark



Leo B. Babich

Date of Service: MARCH 11, 1998