

OFFICE OF DISPUTE RESOLUTION

In the Matter of the Arbitration Between

Name of Claimants

Sophie Bernardet
Kristian Srb
Derek Layton

95-04304

Name of Respondents

RAS Securities Corp.
Chatham Capital Partners
Barry Wayne Blank

REPRESENTATION

For Claimants Sophie Bernardet ("Bernardet"), Kristian Srb ("Srb") and Derek Layton ("Layton")(collectively "Claimants") appeared Harry H. Wise, III, Esq., New York, New York.

For Respondent RAS Securities Corp. ("RAS") appeared Sheldon Gopstein, Esq., New York, New York.

For third party respondent Barry Wayne Blank ("Blank") appeared John J. Phelan, III, Esq., New York, New York and Barry B. Feiner, Esq., New York, New York.

CASE INFORMATION

Statement of Claim filed: September 11, 1995.

Claimant Bernardet's Submission Agreement signed on: August 28, 1995.

Claimant Srb's Submission Agreement signed on: September 12, 1995.

Claimant Layton's Submission Agreement signed on: September 15, 1995.

Statement of Answer filed by Respondent, RAS on: November 22, 1995.

Respondent, RAS's Submission Agreement signed on: November 22, 1995.

Statement of Answer filed by Third Party Respondent Blank: December 4, 1995.

Third Party Respondent Blank did not execute a Uniform Submission Agreement pursuant to Rule 10314 of the Code of Arbitration Procedure.

HEARING INFORMATION

Pre-Hearing Conference: December 5, 1996/One Session
Hearing Dates/Sessions: December 9, 1996/Two Sessions
December 16, 1996/Two Sessions
June 24, 1997/Two Sessions

Hearing Location: Offices of NASD Regulation, Inc., New York, New York.

CASE SUMMARY

Claimants alleged that they were customers of respondent RAS. Claimants alleged that cash in their accounts were used to purchase, without their consent, shares of Banpais ADRs ("ADRs"). Claimants alleged that the shares subsequently became worthless when the stock was de-listed by the New York Stock Exchange. Claimants claimed the full amount of their lost investment.

Respondent RAS alleged that the transactions in the ADRs had been agreed to by an authorized investment advisor, or, in the alternative, had been ratified by claimants. Respondent RAS also alleged that claimants had failed to mitigate their damages. RAS also asserted a claim against Third Party Respondent Blank, the broker and former branch office manager involved in the transactions, alleging that Blank was responsible for any wrongdoing.

Third Party Respondent Blank alleged that the transactions had been authorized. Blank also alleged that RAS had failed to state a theory upon which he could be held liable to respondent.

RELIEF REQUESTED

Claimant Bernardet requested: Rescission of the transaction and return of her funds in the amount of \$25,225.50 plus interest.

Claimant Srb requested: Rescission of the transaction and return of his funds in the amount of \$28,687.50, damages \$3,750.00 for the loss incurred on shares sold plus interest.

Claimant Layton requested: Rescission of the transaction and return of his funds in the amount of \$20,572.50 plus interest.

All claimants requested costs, filing and forum fees.

Respondent RAS requested: Dismissal of the Statement of Claim in its entirety or, in the alternative, indemnification from Third Party Respondent Blank, costs and fees.

Third Party Respondent Blank requested dismissal of the Third Party claim, costs and fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed 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 originals remain on file with NASD Regulation, Inc.

Third Party Respondent Chatham Capital Partners is not an NASD member firm and declined to submit to voluntarily submit to jurisdiction.

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. The Statement of Claim as to Respondent RAS is dismissed in its entirety.
2. The Third Party Claim as to Third Party Respondent Blank is dismissed in its entirety.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. shall retain the \$150.00 non-refundable filing fee submitted by claimants and have assessed the following forum fees:

One prehearing session X \$300.00 plus 6 hearing sessions X \$500.00 = \$3,300 minus claimants' hearing session deposit of \$500.00 = **net \$2800.00 due.**

Respondent RAS be and hereby is liable for the sum of \$1400.00 representing one half of the outstanding forum fees owed. Respondent RAS has already paid \$500.00 to NASD Regulation, Inc. and therefore owes the sum of \$900.00.

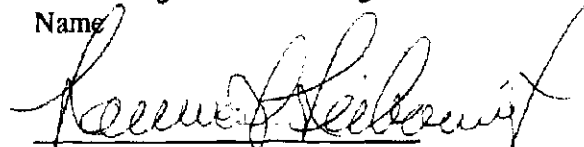
Respondent RAS be and hereby is liable for the sum of \$300.00 representing the Member Surcharge. Respondent RAS has already submitted the sum of \$300.00 and owes nothing toward the Member Surcharge.

Third Party Respondent Blank be and hereby is liable for the sum of \$1400 representing one half of the outstanding forum fees assessed. Third Party Respondent Blank owes \$1400.


Fees are payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Name


Lawrence S. Liebowitz, Esq.


I, Lawrence S. Liebowitz, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who have executed this instrument which is my award.


Lawrence S. Liebowitz, Esq.

July 21, 1997

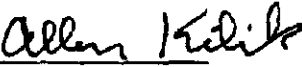
Date of Decision: _____

Concurring Arbitrators' Signatures
Name



Allen Kilik, Esq.


I, Allen Kilik, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who have executed this instrument which is my award.




Allen Kilik, Esq.

Date of Decision: July 21, 1997

Concurring Arbitrators' Signatures
Name


Deborah Sherman, Esq.

I, Deborah Sherman, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who have executed this instrument which is my award.


Deborah Sherman, Esq.

Date of Decision: July 21, 1997