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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Ann G. Militello

vs.

Award No.
95043 11

Name of Respondents

First Investors Corporation
Richard Randall Turner

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REPRESENTATION

For Claimant, AM G. Militello ("Claimant"), Harry S. Miller, Esq. and Elizabeth F. Marx, Esq., from the firm of Shafner & Gilleran, P.C., located in Boston, Massachusetts

For Respondents, First Investors Corporation ("FIC") and Richard Randall Turner ("Turner") (collectively "Respondents"), Ronald J. Roller, Esq. and Larry R. Lavoie, Esq., in-house counsels, located in New York, New York.

CASE INFORMATION

Statement of Claim was filed on September 8, 1995.
Claimant's Submission Agreement was signed on August 24, 1995.

Joint Statement of Answer was filed by Respondents on November 21, 1995.
Respondent, FIC's Submission Agreement was signed on November 20, 1995.
Respondent Turner's submission Agreement was signed on October 18, 1995.

HEARING INFORMATION

Hearing Date/Sessions: May 9, 1996 - 2 sessions

Hearing Location: NASD offices located at 260 Franklin Street, Boston, Massachusetts.

CASE SUMMARY

Claimant sought compensatory damages arising from the purchase of shares of a high-yield "junk" bond mutual fund marketed by Respondents FIC and Turner, a registered representative of FIC at the time of the purchase, alleging in her complaint acts of fraud, misrepresentation, breach of contract, breach of fiduciary duty, negligence, broker malpractice, broker mismanagement, unsuitable trading, violations of federal and state securities laws, and other acts.

Claimant alleged that based solely on Turner's representations and recommendation, she and her husband (now deceased) transferred \$194,426.44 from their insured Tax Exempt Fund to the Fund for Income (both funds managed by FIC) on September 11, 1989, and that after hearing unfavorable publicity concerning FIC and the Fund for Income, liquidated their total investment in said fund on November 20, 1990, and received \$124,529.33

Respondents FIC and Turner filed a Joint Answer denying the material factual allegations in the complaint and alleging that Turner properly advised the Claimant (and her husband) of the nature and risks of the Fund for Income before Claimant (and her husband) decided to exchange their shares of the Tax Exempt Fund for shares of the Fund for Income.

Respondents further pleaded several affirmative defenses, including statutes of limitation, laches, ratification, and failure to state a claim.

RELIEF REQUESTED

Claimant sought compensatory damages of \$70,000, punitive damages, market-adjusted damages, interest, attorneys fees, and costs of arbitration.

Respondents requested that they be awarded costs incurred in defending against Claimant's claim.

OTHER ISSUES CONSIDERED & DECIDED

Claimant requested that the hearing scheduled for April 22, 1996, be postponed due to a death in the family. Respondents consented to the postponement. The arbitration panel granted the postponement request and assessed a postponement fee subject to reconsideration at the hearing. After the hearing, the arbitration panel decided to grant Claimant's request that said postponement fee be waived.

Subsequent to his closing argument, counsel for Respondents presented a Motion to Dismiss the claim based on various statutes of limitations. After hearing oral arguments on said motion, the arbitration panel took it under advisement. After deliberation, the arbitration panel dismissed said motion.

The parties have agreed that the Award in this matter may be executed in counterpart copies. The parties have further agreed to receive conformed copies of the Award while the original remains on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent First Investors Corporation is liable to the Claimant for compensatory damages in the amount of Sixty Thousand Dollars (\$60,000.00), together with interest at the rate of twelve per cent (12%) per annum from the date of this award to the date of payment of this award.
2. Respondent Richard Turner is found not to be individually liable to Claimant for any award.

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3. All other claims, including claims for costs, attorneys' fees, and punitive damages, are denied..

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

Non-refundable Filing Fee:	\$150.00
Hearing Session Deposit:	\$1,000.00 (2 hearing sessions @ 500.00 per session)
Total Fees:	\$1,150.00

1. Claimant is assessed \$150.00 non-refundable filing fee. Claimant is further assessed \$500.00 in forum fees. Claimant previously paid \$650.00 and owes nothing.
2. Respondent First Investors Corporation is assessed \$500.00 in forum fees.

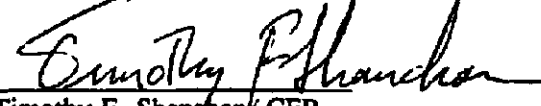
Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

S. Lawrence Gwin, Jr., Esq.
Howard M. Miller, Esq.
Timothy F. Shanahan, CFP

Public Chairperson
Public Panelist
Industry Panelist

Concurring-Arbitrator's Signature


Timothy F. Shanahan, CFP

NASD Date of Decision: June 7, 1996

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3. All other claims, including claims for costs, attorneys' fees, and punitive damages, are denied.

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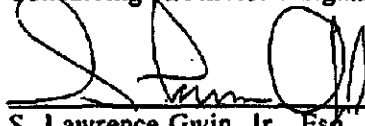
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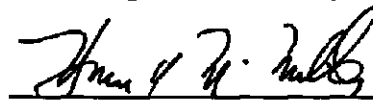
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Howard M. Miller, Esq.

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