

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

David and Linda Benjamin

95-05995

Name of Respondent(s)

Karen Billings

REPRESENTATION

For Claimants David & Linda Benjamin, Howard A. Winter, Esq. located in New York, New York.

For Respondent Karen Billings, Leon B. Lipkin, Esq. located in New York, New York.

CASE INFORMATION

Statement of Claim filed: December 20, 1995.

Claimants Submission Agreements signed on: December 13, 1995.

Statement of Answer filed by Respondent Karen Billings on: March 19, 1996.

Respondent Karen Billings' Submission Agreement signed on: April 2, 1996.

HEARING INFORMATION

Pre-hearing conference: May 20, 1996- 1 session

Hearing Dates/Sessions: May 23, 1996- 2 sessions

November 7, 1996- 2 sessions

Hearing Location: The hearings were held at the NASD offices located in New York, New York.

CASE SUMMARY

Claimants alleged that on or about November 4, 1993, they opened a non-discretionary securities account at Beacon Securities, Inc. ("Beacon"), of which respondent is an officer and principal. Claimants further alleged that at the time they open the account, Beacon held out that Richard Chancis ("Chancis") and Edward Yamen ("Yamen") were duly qualified registered representatives. Claimants contended that based on this and other representations made by Beacon, Claimants deposited approximately \$120,000 into their account. Claimants further contended that, in fact, Chancis and Yamen were not registered with the NASD and were subject to statutory disqualification. Claimants alleged that Beacon, Billings

and other officers, principals and persons associated with Beacon entered into a scheme to affirmatively and intentionally conceal from Claimants that Chancis and Yamen were not registered and were barred from registration. Claimants further alleged that given that Chancis was not registered, he had no authority to purchase or sell any securities and any purchases or sales made by him in claimants' account were unauthorized and claimants have the right to rescind such purchases. Claimants contended that Beacon, through Chancis, engaged in numerous unauthorized trades, including unauthorized purchases of the stock of United States Exploration, Inc., Bancroft Holding Corp. and Acepharm, Inc. and made intentional misrepresentations regarding same to claimants.

Respondent maintained that the Statement of Claim is barred by the doctrine of res judicata and/or collateral estoppel. Respondent further maintained that she at all times conducted her business in a professional manner and acted in good faith, without knowledge of or participation in any alleged improper activity. Respondent contended that claimants, by their own conduct, have waived any and all claims which they may have against respondent

RELIEF REQUESTED

Claimants requested: Compensatory damages of \$95,000 , punitive damages in an amount not less than \$95,000, consequential and incidental damages, reasonable attorney's fees, rate of return damages, interest, costs and expenses and such other further relief as the panel deems just and proper.

Respondent requested: That the Statement of Claim be dismissed in its entirety and that she be awarded her costs and expenses of this arbitration, including reasonable attorney's fees and that she be granted such other and further relief as is just and proper.

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 original remain on file with the NASD.

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:

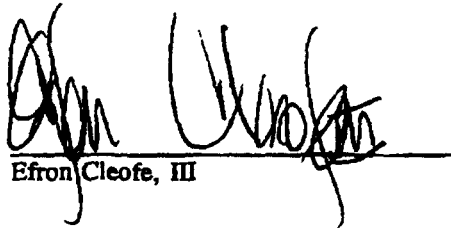
1. Respondent be and hereby is liable and shall pay to the Claimants the sum of \$4,800.00.
2. Respondent be and hereby is liable and shall pay to Claimants interest in the amount of \$593.00.
3. Each party shall bear its respective costs, including attorney's fees.
4. All other claims be and hereby are denied.

FORUM FEES

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

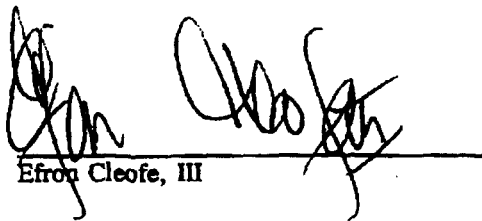
Pre-hearing conference:	\$300.00
4 sessions x \$750.00:	\$3,000.00
Total Fees assessed:	\$3,300.00

Respondent Karen Billings be and hereby is liable and shall pay to the NASD the sum of \$3,300.00 representing the total forum fees assessed.



Efron Cleofe, III

I, Efron Cleofe, III, do hereby affirm that this is my decision in the above captioned matter.



Efron Cleofe, III

Date of Decision: JANUARY 3, 1997

Robert E. Tobin
Robert E. Tobin

I, Robert E. Tobin, do hereby affirm that this is my decision in the above captioned matter.

Robert E. Tobin
Robert E. Tobin

Date of Decision : January 3, 1997

ARBITRATOR'S SIGNATURES

A handwritten signature in cursive script, appearing to read "Ann C. Northern", written over a horizontal line.

Ann C. Northern, Esq.

I, Ann C. Northern, do hereby affirm that this is my decision in the above captioned matter.

A second handwritten signature in cursive script, appearing to read "Ann C. Northern", written over a horizontal line.

Ann C. Northern, Esq.

Date of Decision: January 3, 1997