

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Walter F. Old

v.

NASD Regulation, Inc.
Arbitration No. 96-00008

Name of Respondents

Financial Network Investment Corporation and
Russ Bateman

REPRESENTATION

For Claimant:

Jules L. Federman
Investors Rights Association, Inc.
Santa Barbara, California

For Respondents:

Samuel Y. Edgerton, III
Nash & Edgerton
Hermosa Beach, California

CASE INFORMATION

Statement of Claim filed:

January 2, 1996

Claimant's Submission Agreement signed:

November 14, 1995

Joint Statement of Answer filed by Respondent:

February 14, 1997

Respondent Financial Network
Investment Corporation's
Submission Agreement signed:

June 14, 1996

Respondent Russ Bateman's
Submission Agreement signed:

March 19, 1997

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions: March 10, 1997 (1 Session)
 March 20, 1997 (1 Session)
 March 27, 1997 (1 Session)

Hearing Dates / Sessions: May 5, 1997 (2 Sessions)
 May 6, 1997 (2 Sessions)
 May 7, 1997 (2 Sessions)
 May 31, 1997 (2 sessions)
 June 7, 1997 (2 sessions)
 June 20, 1997 (2 sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents made misrepresentations and omissions which induced Claimant to invest in securities that were unsuitable for his investment needs. Claimant further alleged that Respondents breached their fiduciary duties owed to him, were negligent in their actions, and breached their contract with Claimant.

Respondents denied each and every allegation of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$155,000.00 plus interest in compensatory damages. Claimant also requested punitive damages, costs, fees, expenses, and rescission of the investment interests.

Respondents requested that Claimant's Claims be dismissed with prejudice.

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 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 Claimant's claims are denied in their entirety.
2. Each shall bear his/her/its own 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 all parties:

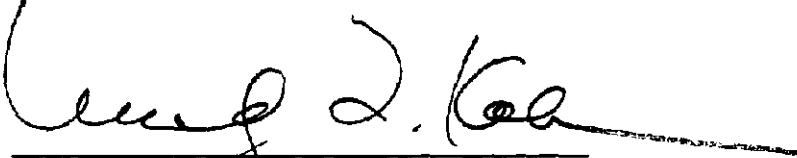
Three (3) Full Panel Pre-Hearing Conferences @ \$750.00/Session	= \$2,250.00
Ten (10) Hearing Sessions @ \$750.00/Session	= \$7,500.00
Total Fees Assessed	= \$9,750.00
Claimant's One-Third Share	= \$3,250.00
<u>Claimant's Credit for Hearing Session Deposit</u>	= \$750.00
Claimant's Balance Due	= \$2,500.00
<u>Respondent Financial Network Investment Corp.'s One-Third Share</u>	= \$3,250.00
Respondent Financial Network Investment Corp.'s Balance Due	= \$3,250.00
<u>Respondent Russ Bateman's One-Third Share</u>	= \$3,250.00
Respondent Russ Bateman's Balance Due	= \$3,250.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Wendy L. Kohn, Esq.	Public Arbitrator
John H. St. Denis	Public Arbitrator
Gwendolyn J. Bandt	Industry Arbitrator

Concurring Arbitrators' Signatures



Wendy L. Kohn, Esq.

John H. St. Denis

Gwendolyn J. Bandt


Date of Service: July 29, 1997

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Wendy L. Kohn, Esq.	Public Arbitrator
John H. St. Denis	Public Arbitrator
Gwendolyn J. Bandt	Industry Arbitrator

Concurring Arbitrators' Signatures

Wendy L. Kohn, Esq.



John H. St. Denis

Gwendolyn J. Bandt

Date of Service: *July 29, 1997*

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Wendy L. Kohn, Esq.

John H. St. Denis



Gwendolyn J. Bandt

Date of Service: July 29, 1997