

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Wallace J.L. Houde and Gwendolyn A. Houde

v.

NASD Arbitration
No.96-00225

Name of Respondents

J.B. Bogart and Associates and Bruce Bogart

REPRESENTATION

For Claimants:

Richard Sacks
Investors Recovery Service
Novato, California

For Respondents:

J. Bruce Bogart
J.B. Bogart and Associates
Hermosa Beach, California

CASE INFORMATION

Statement of Claim filed:	January 17, 1996
Claimants' Submission Agreement signed:	December 7, 1995
Joint Statement of Answer filed by Respondents:	March 25, 1996
Respondents' Submission Agreement signed:	March 20, 1996

HEARING INFORMATION

Hearing Dates / Sessions:	August 29, 1996 (2 Sessions) September 24, 1996 (1 Session)
Hearing Location:	Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondents recommended unsuitable investments, namely notes issued by Towers Financial Corporation. Claimants further alleged that Respondents breached their fiduciary duty to Claimants, engaged in fraudulent and deceptive conduct, and were negligent.

Respondents denied the allegations of wrongdoing found in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages of \$75,000.00 together with interest thereon from the date of their investment, and costs of arbitration. Claimants also requested punitive and exemplary damages.

Respondents requested that the Claimants' Statement of Claim 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.

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 Claimants' claims are denied in their entirety.
2. Claimants' claim for punitive damages is denied in its entirety
3. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

Three Hearing Sessions @ \$500.00/Session	=	\$1,500.00
Claimants' One-Half Share	=	\$ 750.00
Credit for Hearing Session Deposit	=	\$ 500.00
Claimants' Balance Due	=	\$ 250.00
Respondents' One-Half Share	=	\$ 750.00
Respondents' Balance Due	=	\$ 750.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Leo Babich	Public Arbitrator
Herbert Greenberg	Public Arbitrator
John McShane	Industry Arbitrator

Concurring Arbitrators' Signatures

Leo Babich

Herbert Greenberg

John McShane

Date of Decision: _____

Date of Service: _____

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Concurring Arbitrators' Signatures

Leo Babich	_____
Herbert Greenberg	<u>Herbert Leslie Greenberg</u>
John McShane	_____

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Herbert Greenberg

John McShane

Date of Decision: 9-24-96

Date of Service: _____

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