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AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Bruce M. Brusavich and Deborah Brusavich

v.

Arbitration No.
96-00738

Name of Respondents

Stratton Oakmont, Inc.; Jason R. Surface; James W. Garofalo, Jr.; Daniel M. Porush; Jordan Shamah; Andrew T. Greene; Paul F. Byrne; Matthias V. Tiffert; and Leonard Dunn

REPRESENTATION

For Claimant:

Philip M. Aidikoff, Esq.
Robert A. Uhl, Esq.
Aidikoff & Uhl
Beverly Hills, California

For Respondent Stratton Oakmont, Inc.:

Daniel M. Porush
In Pro Per
Oyster Bay Cove, New York

For Respondent Jason R. Surface:

Jason R. Surface
In Pro Per
Glen Cove, New York

For Respondent James W. Garofalo, Jr.:

James W. Garofalo, Jr.
In Pro Per
Bayside, New York

For Respondent Jordan Shamah:

Jordan Shamah
In Pro Per
Roslyn, New York

For Respondent Daniel M. Porush:

Mark E. Gelfand, Esq.
Great Neck, New York

For Respondent Paul F. Byrne:

Paul F. Byrne
In Pro Per
Red Bank, New Jersey

For Respondent Andrew T. Greene:

James C. Sherwood, Esq.
Schlam, Stone & Dolan
New York, New York

For Respondent Leonard Dunn:

Leonard Dunn
In Pro Per
Oceanside, New York

For Respondent Matthias V. Tiffert:

Jay Marc Israel, Esq.
Wexler & Burkhardt
Mitchel Field, New York

CASE INFORMATION

Statement of Claim filed:

February 16, 1996

Claimants' Submission Agreement signed:

February 13, 1996

Statement of Answer filed by Respondents:

May 1, 1996

Amended Statement of Answer filed by Respondent
Andrew T. Greene:

January 28, 1997

Respondent James W. Garofalo, Jr.'s Submission
Agreement signed:

March 25, 1996

Respondent Jordan Shamah's Submission
Agreement signed:

March 25, 1996

Respondent Daniel M. Porush's Submission
Agreement signed:

March 26, 1996

Respondent Paul F. Byrne's Submission
Agreement signed:

March 25, 1996

Respondent Leonard Dunn's Submission Agreement
signed:

March 25, 1996

Respondent Matthias V. Tiffert's Submission
Agreement signed:

March 25, 1996

HEARING INFORMATION

Pre-Hearing Conference Dates/Sessions: January 7, 1997 (1 session)
January 28, 1997 (1 session)
March 4, 1997 (1 session)

Hearing Dates/Sessions: March 12, 1997 (2 sessions)
March 13, 1997 (2 sessions)
March 14, 1997 (2 sessions)
July 10, 1997 (2 sessions)
July 11, 1997 (2 sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged Respondents made unsuitable and unauthorized transactions, conducted excessive activity in Claimants' accounts given Claimants' objectives, breached their fiduciary duty to Claimants, committed fraud, failed to properly supervise employees, and violated Federal Securities Laws, NASD Rules of Fair Practice, and NYSE Rules.

Respondents denied Claimants' claims in their entirety.

RELIEF REQUESTED

Claimants sought compensatory damages in the amount of \$522,049.00, disgorgement of profits Respondents received in the amount of \$136,767.00, lost opportunity costs in an amount according to proof, interest, punitive damages, attorney's fees, and costs.

Respondents sought dismissal of the Statement of Claim in its entirety, costs and attorney's fees.

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.

The Arbitration Proceeding was stayed as to Respondent Stratton Oakmont, Inc. by order of the United States Bankruptcy Court.

Respondent Paul F. Byrne's Petition for Bankruptcy, staying the arbitration proceeding against him, was filed on March 12, 1997.

Respondent Matthias V. Tiffert's Petition for Bankruptcy, staying the arbitration proceeding against him, was filed July 3, 1997.

Respondent Jordan Shamah's Petition for Bankruptcy, staying the arbitration proceeding against him, was filed on August 30, 1997.

Respondent Leonard Dunn's Petition for Bankruptcy, staying the arbitration proceeding against him, was filed on September 3, 1997.

Respondent Jason R. Surface was dismissed with prejudice by Claimants during the Arbitration.

Respondent James W. Garofalo, Jr. settled with Claimants during the Arbitration.

Respondent James W. Garofalo, Jr. was represented by Irving M. Einhorn, Esq. for the first three (3) days of the arbitration hearing.

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 Daniel M. Porush is liable to and shall pay Claimants' compensatory damages in the amount of \$522,049.00. Said amount shall be offset by any payments Claimants received due to the settlements entered into with Respondents Jason Surface and James Garofalo, Jr.
2. Respondent Daniel M. Porush is liable to and shall pay Claimants interest at ten percent per annum commencing from December 1, 1995 until the award is paid.
3. Respondent Daniel M. Porush is liable to and shall pay Claimants punitive damages in the amount of \$1,250,000.00, based upon the evidence of the egregious conduct of Respondent Porush and pursuant to California Civil Code

Section 3294.

4. Respondent Daniel M. Porush is liable to and shall pay Claimants' costs in the amount of \$1,150.00.
5. Claimants' claim for attorney's fees is denied.
6. All claims against Respondent Andrew T. Greene are dismissed in their entirety.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration Procedure, the following forum fees are assessed against Respondent Daniel M. Porush:

Two (2) Full Panel Pre-Hearing Conferences @ \$1,000.00/Session	=	\$2,000.00
One (1) Chair Only Pre-Hearing Conference @ \$300.00/Session	=	\$300.00
Ten (10) Hearing Sessions @ \$1,000.00/Session	=	\$10,000.00
Total Forum Fees Assessed	=	\$12,300.00
 Respondent Daniel M. Porush's Amount Due	 =	 \$12,300.00

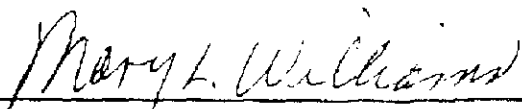
Claimants' Hearing Session Deposit of \$1,000.00 shall be refunded by NASD Regulation, Inc.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Mary L. Williams, Esq.	Public Arbitrator
Andrew Sorenson	Industry Arbitrator
Roselyn Brassell	Public Arbitrator

Concurring Arbitrators' Signatures



Mary L. Williams, Esq.

Andrew Sorenson

Roselyn Brassell

Date of Service: _____

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Roselyn Brassell	Public Arbitrator

Concurring Arbitrators' Signatures

Mary L. Williams, Esq.


Andrew Sorenson

Roselyn Brassell

Date of Service: _____

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Mary L. Williams, Esq.

Andrew Sorenson



Roselyn Brassell

Date of Service: _____