

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Peggy Ann Valley

NASD Arbitration
No. 96-00753

Name of Respondent(s)

Gerald H. Burchard
Burchard Investment Group
Round Hill Securities, Inc.

REPRESENTATION

For Claimant: Peggy Ann Valley, Danville, California

For Respondents: Thomas E. Mulvihill, Esq., Low, Ball & Lynch,
Redwood City, California

CASE INFORMATION

Statement of Claim filed: February 20, 1996

Amended Statement of Claim filed: April 30, 1996

Claimant's Submission Agreement signed: February 13, 1996

Joint Response to Statement of Claim filed by Respondents: May 2,
1996

Amended Response to Statement of Claim and Motion to Dismiss all
claims against Bear Stearns Securities Corporation filed: May 13,
1996

Respondents' Submission Agreements signed as follows:

Round Hill Securities, Inc.: May 2, 1996

Gerald H. Burchard: May 2, 1996

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):

October 25, 1996 (one session)

Hearing Date(s)/Session(s): November 6, 1996 (two sessions)

Hearing Location:

San Francisco, California

CASE SUMMARY

Claimant alleged the following claims with respect to her investment in various securities: 1) Failure to follow Claimant's instructions; 2) Failure to follow Claimant's investment objectives; 3) Excessive trading in Claimant's account; and 4) Failure to supervise Claimant's account.

Respondents alleged that the essential allegation in this matter is that certain equity positions were purchased for Claimant by Respondents in contravention to the stated investment objectives of Claimant, and alleged that this allegation is unfounded. Respondents denied Claimant's allegations pertaining to excessive trading and failure to supervise and alleged that the executed investment agreement between Ms. Valley and Respondents expressly granted Respondent Gerald H. Burchard full authority to transact within the account; including the power to invest and reinvest principal and income as Mr. Burchard deemed appropriate. Respondents further alleged that Claimant's account was not excessively traded and alleged that the account was appropriately invested in viable equity positions. Respondents further denied Claimant's allegations concerning trading in contravention to Ms. Valley's directives and investment philosophy. Respondents alleged that no misconduct has led to the investment loss claimed by Ms. Valley and that any losses were the results of the vagaries of investments. Respondents also asserted affirmative defenses.

RELIEF REQUESTED

Claimant, in her Amended Statement of Claim, requested compensatory and punitive damages totalling \$247,914.15.

Respondents requested dismissal of Claimant's claims and requested costs and expenses, including reasonable attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, Claimant dismissed Bear Stearns Securities Corporation as a party in this matter.

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 originals remain on file with the National Association of Securities Dealers, Inc. (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 Gerald H. Burchard is solely liable for and shall pay to Claimant the sum of \$4,000.00.
2. Respondent Round Hill Securities, Inc. is solely liable for and shall pay to Claimant the sum of \$4,000.00.
3. Claimant's claim for punitive damages is denied.
4. 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: The NASD shall retain the \$750.00 hearing session deposit previously deposited by the Claimant. Forum fees shall be split between Claimant and

Respondents Gerald H. Burchard and Round Hill Securities, Inc. and are calculated as follows:

One pre-hearing session @ \$300.00/session	=	\$ 300.00
Two hearing sessions @ \$750.00/session	=	<u>\$1,500.00</u>
Total fees assessed	=	\$1,800.00

Claimant's share (50%)	=	\$ 900.00
Credit for hearing deposit	=	\$ 750.00
Balance due	=	\$ 150.00

Respondents Burchard and Round Hill Securities, Inc.'s share, jointly and severally (50%)	=	\$ 900.00
Balance due	=	\$ 900.00

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

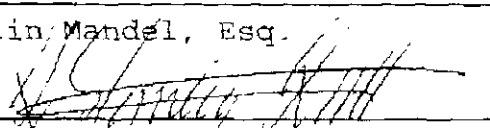
ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Lester Friedman, Esq.	Public Arbitrator
Martin Mandel, Esq.	Public Arbitrator
George Stanley Guth	Industry Arbitrator

Concurring Arbitrators' Signatures

Lester Friedman, Esq.

Martin Mandel, Esq.



George Stanley Guth

Date of Decision: 11.25.96

Respondents Gerald H. Burchard and Round Hill Securities, Inc. and are calculated as follows:

One pre-hearing session @ \$300.00/session	=	\$ 300.00
Two hearing sessions @ \$750.00/session	=	<u>\$1,500.00</u>
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<u>Name</u>	<u>Public / Industry</u>
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Martin Mandel, Esq.	Public Arbitrator
George Stanley Guth	Industry Arbitrator

Concurring Arbitrators' Signatures

Lester Friedman, Esq.

Martin Mandel
Martin Mandel, Esq.

George Stanley Guth

Date of Decision: _____

Date served: 11/29/1996

Respondents Gerald H. Burchard and Round Hill Securities, Inc. and are calculated as follows:

One pre-hearing session @ \$300.00/session	=	\$ 300.00
Two hearing sessions @ \$750.00/session	=	<u>\$1,500.00</u>
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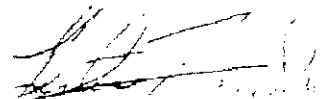
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Lester Friedman, Esq.	Public Arbitrator
Martin Mandel, Esq.	Public Arbitrator
George Stanley Guth	Industry Arbitrator

Concurring Arbitrators' Signatures



Lester Friedman, Esq.

Martin Mandel, Esq.

George Stanley Guth

Date of Decision: 11-21-96

Date served: 11/29/1996