

9712094

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Brian Randolph

v.

Arbitration No.
96-00933

Name of Respondents

Nicholas "Nick" Ellis
Jon Joseph Hanousek and
Corporate Benefit Securities

REPRESENTATION

For Claimant:

Richard Sacks
Investors Recovery Service
Novato, California

For Respondents:

Nicholas "Nick" Ellis
In Pro Per

Jon Joseph Hanousek
In Pro Per

CASE INFORMATION

Statement of Claim filed:

February 27, 1996

Claimant Brian Randolph's
Submission Agreement signed:

January 5, 1996

Statement of Answer filed by Respondent

May 17, 1996

Respondent Nicholas "Nick" Ellis'
Submission Agreement signed:

May 20, 1996

9/11/2000

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions: August 7, 1997 (1 Session)

Hearing Dates / Sessions: July 14, 1997 (1 Sessions)
November 11, 1997 (1 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents made unsuitable recommendations for investments. Claimant also alleged that Respondents breached their fiduciary duty owed to the claimant and were negligent. Claimant further alleged that Respondent Corporate Benefit Securities failed to supervise its broker.

Respondents denied each and every allegation of wrongdoing.

RELIEF REQUESTED

Claimant requested actual damages in the amount of \$20,000.00 plus interest from the date of the purchase of the securities. Claimant also requested punitive and exemplary damages, as well as costs.

Respondents requested that the Claimant's Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either 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 remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

Claimant sent a letter to the NASD to amend his Statement of Claim pursuant to Section 39(a) of the Code of Arbitration Procedure. The Claimant requested that the following individuals be added as respondents in this case:

Steven Lee Peeler
Jon Joseph Hanousek
Jonathan Peter Bobolia
William Bradley Stout
Weldon Alonzo Gibson, Jr.
Theodore J. Neja
Leonard Kahn
Russell Alan Smith

Elizabeth S. McClendon, individually and
as Trustee of the McClendon Family Trust.

William Bradley Stout filed a petition under Chapter 7 of the Bankruptcy Code. It was filed on October 2, 1996.

Leonard Khan filed a petition under Chapter 7 of the Bankruptcy Code. It was filed on October 20, 1997.

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) Pursuant to Rule 10305(b), Claimant's claims are dismissed with prejudice.
- 2) The Claimant is ordered to pay \$1,000.00 in sanctions to the NASD Regulation, Inc. Office of Dispute Resolution.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration Procedure, the following forum fees are assessed against Claimant:

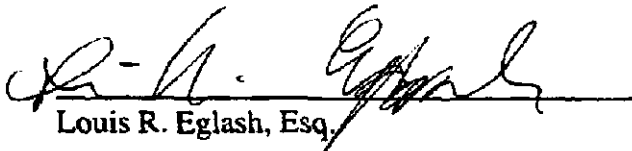
One (1) Full Panel Pre-Hearing Conference @ \$400.00/Session	= \$400.00
Two (2) Hearing Sessions @ \$800.00/Session	= \$1,600.00
Postponement Fees	= \$800.00
Total Forum Fees Assessed Against Claimant	= \$2,800.00
Credit for Hearing Session Deposit	(\$400.00)
Claimant's Forum Fees Due:	= \$2,400.00
Claimant's Sanctions Due:	= \$1,000.00
Claimant's Total Balance Due:	= \$3,400.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name.....</u>	<u>Public / Industry</u>
Louis R. Eglash, Esq.	Public Arbitrator
Paulette D. Greenberg	Public Arbitrator
Donald L. Lisle	Industry Arbitrator

Concurring Arbitrators' Signatures


Louis R. Eglash, Esq.

Paulette D. Greenberg

Donald L. Lisle

Date of Service: _____

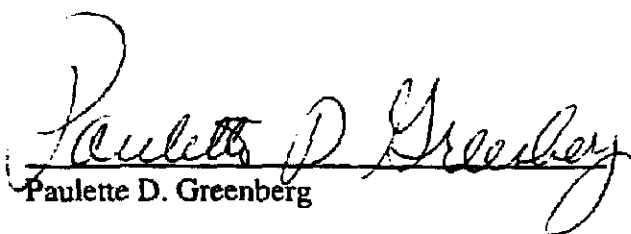
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Paulette D. Greenberg	Public Arbitrator
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Louis R. Eglash, Esq.



Paulette D. Greenberg

Donald L. Lisle

Date of Service: _____

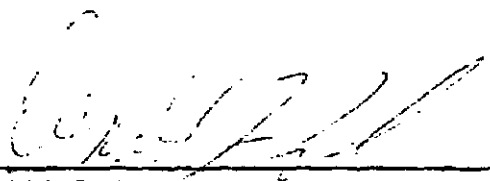
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Louis R. Eglash, Esq.

Paulette D. Greenberg



Donald L. Lisle

Date of Service: DECEMBER 11, 1997