

NASD REGULATION, INC. FINAL ORDER

In the Matter of the Arbitration Between

Name of Claimants

Julius & Selma Isaacson
Julius Isaacson and Barbara Callahan
Julius Isaacson

96-01259

Name of Respondents

Fahnestock & Co., Inc.
Bruce Kurchack

REPRESENTATION

For Claimants Julius and Selma Isaacson and Barbara Callahan ("Claimants") appeared Frank J. Evangelist, Esq. of Ormsten & Evangelist located in Jericho, New York.

For Respondents Fahnestock & Co., Inc. and Bruce Kurchack ("Respondents") appeared Theodore Krebsbach, Esq. of Kittay, Gold & Krebsbach located in White Plains, New York.

CASE INFORMATION

The Statement of Claim was filed on April 1, 1996.
Claimants' Submission Agreements were signed on March 11, 1996.

A Joint Statement of Answer was filed by Respondents on June 28, 1996.
Respondent Fahnestock & Co., Inc.'s Submission Agreement was signed on June 21, 1996.
Respondent Kurchack's Submission Agreement was signed on April 08, 1996.

HEARING INFORMATION

Pre-Hearing Conference:	February 14, 1997	One Session
Hearing Dates/Sessions:	February 25, 1997	Two Sessions
	July 21, 1997	One Session

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimants alleged that Respondent Kurchack made unsuitable investments, churned their accounts, engaged in unauthorized trading and traded only with the intention of generating commissions for himself and Respondent Fahnestock. Claimants alleged that they are without investment knowledge or expertise and, therefore, relied wholly on the advice and expertise of Respondent Kurchack. Claimants alleged that Respondents breached their fiduciary duty and Respondent Fahnestock was negligent in the supervision of Respondent Kurchack and their account.

Respondents denied each allegation contained in the Statement of Claim and moved for dismissal on the grounds that the Statement of Claim fails to state a claim upon which relief can be granted.

RELIEF REQUESTED

Claimants requested compensatory damages as follows:

Trading Losses	\$ 80,000.00
Disgorgement of commissions and fees	\$ 25,000.00
Lost Income	\$ 70,000.00
	=====
Total Compensatory Damages	\$175,000.00

Claimants requested interest on the \$175,000.00 at 9% on loss from July 1995 to date of the award, plus punitive damages and attorney's fees in amounts to be determined by the arbitrators.

Respondents requested that the Statement of Claim be dismissed in its entirety with or without prejudice and all fees be assessed against Claimants.

OTHER ISSUES CONSIDERED & DECIDED

The parties have requested a Final Order from the panel which may be executed in counterpart copies. The parties have agreed to receive conformed copies of the Final Order while the original remains on file with the NASD.

AWARD

The parties have requested an order from the panel indicating the following:
On July 21, 1997, the parties settled the case entitled *Isaacson v. Fahnestock & Co., Inc. et.al.*, NASD case number 96-01259. All claims against Respondent Kurchack were withdrawn. Fahnestock & Co., Inc. agreed to pay the sum of \$18,500.00 without the admission of any wrongdoing. The settlement terms are subject to a confidentiality agreement between the parties.

FORUM FEES

Pursuant to Rule 10332 of the NASD Code of Arbitration Procedure, the arbitrators have decided that NASD Regulation, Inc. will retain the \$200.00 non-refundable filing fee previously paid by the Claimants and the \$350.00 member surcharge previously paid by the Respondents and have assessed the following Forum Fees:

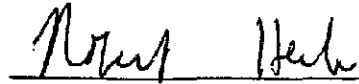
1 Pre-Hearing Conference x \$300.00	=	\$ 300.00
3 Hearing Sessions x \$750.00	=	\$2,250.00
Total Forum Fees	=	\$2,550.00

1. Claimant is hereby liable and shall pay to NASD Regulation, Inc. the sum of \$1,275.00 representing one-half of the total forum fees assessed. Claimants previously deposited \$750.00 with NASD Regulation, Inc., therefore, Claimant shall pay the sum of \$525.00.

2. Respondent Fahnestock & Co., Inc. is hereby liable and shall pay to NASD Regulation, Inc. the sum of \$1,275.00 representing one-half of the total forum fees assessed.

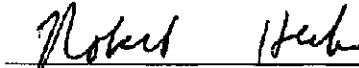
Fees are payable to the NASD Regulation, Inc.

ARBITRATORS' SIGNATURES



Robert D. Herschman, Esq.
Public Arbitrator - Chairperson

I, Robert D. Herschman, Esq., do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.



Robert D. Herschman, Esq.

James R. Greene
Public Arbitrator

I, James R. Greene, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

James R. Greene

Sheldon Lasher
Industry Arbitrator

I, Sheldon Lasher, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Sheldon Lasher

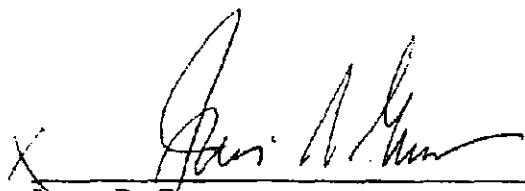
Date of Decision: September 22, 1997

ARBITRATORS' SIGNATURES

Robert D. Herschman, Esq.
Public Arbitrator - Chairperson

I, Robert D. Herschman, Esq., do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Robert D. Herschman, Esq.

X 

James R. Greene
Public Arbitrator

I, James R. Greene, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

X 

James R. Greene

Sheldon Lasher
Industry Arbitrator

I, Sheldon Lasher, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Sheldon Lasher

Date of Decision: September 22, 1997

ARBITRATORS' SIGNATURES

Robert D. Herschman, Esq.
Public Arbitrator - Chairperson


I, Robert D. Herschman, Esq., do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Robert D. Herschman, Esq.

James R. Greene
Public Arbitrator

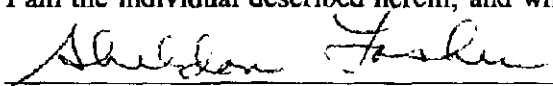
I, James R. Greene, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

James R. Greene



Sheldon Lasher
Industry Arbitrator

I, Sheldon Lasher, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.



Sheldon Lasher

Date of Decision: September 22, 1997