

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

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In the Matter of the Arbitration Between

Name of Claimants

Richard S. Hinkle  
Harry Little  
Larry Brouse

96-01990  
96-02620  
96-05032

Name of Respondents

Ben Lichtenberg  
Bryn Mawr Investment Group, Inc.

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**REPRESENTATION**

Claimants Richard S. Hinkle ("Hinkle"), Harry Little ("Little") and Larry Brouse ("Brouse") were represented by James D. Ingram, Esq., Drinker Biddle and Reath, Lawrenceville, NJ.

Respondent Ben Lichtenberg ("Lichtenberg") was represented by Jonathan S. Ziss, Esq., Silverman Coopersmith Hillman & Frimmer, Philadelphia, PA.

Respondent Bryn Mawr Investment Group, Inc. ("BMIG") was represented by Paula D. Shaffner, Esq., Saul, Ewing Remick & Saul, Philadelphia, PA.

**CASE INFORMATION**

Hinkle's Statement of Claim was filed May 8, 1996.  
Hinkle's Uniform Submission Agreement was signed August 1, 1996.

Little's Statement of Claim was filed June 18, 1996.  
Little's Uniform Submission Agreement was signed July 17, 1996.

Brouse's Statement of Claim was filed November 12, 1996.  
Brouse's Uniform Submission Agreement was signed November 8, 1996.

Lichtenberg's Statement of Answer was filed October 1, 1996.  
Lichtenberg's Uniform Submission Agreement was signed October 23, 1996.

BMIG's Statement of Answer was filed September 30, 1996.  
BMIG's Uniform Submission Agreement was signed November 25, 1996.

### HEARING INFORMATION

Hearing Dates/Sessions: May 12, 1997/two sessions  
May 13, 1997/two sessions

Hearing Location: NASD Regulation District Office  
Philadelphia, PA

### CASE SUMMARY

Claimants alleged that Respondents BMIG and Lichtenberg (collectively "Respondents") induced them to purchase Baker Videoactive Realty Partners, L.P. ("Baker") and Resolute Ltd. ("Resolute") through misrepresentations and omissions of material fact. Claimants alleged that Respondents knew, or should have known, that the value of the shares were greatly diminished in value due to material changes in circumstances and failed to provide that information to Claimants. Claimants alleged that Respondents' actions violated the Pennsylvania Consumer Protection Law and violated Respondents' fiduciary duty to Claimants.

Respondents denied all allegations of wrong-doing as asserted in the Claimants' Statements of Claim. Respondents maintained that Claimants were fully informed of all potential risks and rewards of the Baker and Resolute investments. Respondents raised the affirmative defenses of estoppel; laches; unclean hands; ratification; failure to mitigate; contributory negligence; and failure to state a claim upon which relief may be granted. Respondents further maintained that any losses suffered by Claimants were the results of Claimants' own actions and market fluctuations.

### RELIEF REQUESTED

Claimant Hinkle requested damages in the amount of \$30,000.00. Claimant Little requested damages in the amount of \$30,000.00. Claimant Brouse requested damages in the amount of \$50,000.00. Claimants also requested punitive damages, and the costs of this arbitration including attorney's fees.

Respondents requested that the Statements of Claim for Hinkle, Little and Brouse be dismissed.

### OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed 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 originals remain on file with the NASD.

The panel consider Respondents' Motions to Dismiss and Claimants' Response thereto and granted the Motion as to Lichtenberg, but as to BMIG the Motion was denied. Furthermore, the panel considered Respondents' Motion on the Statute of Limitations issue, and Claimants' Response, and denied the Motion.

At the commencement of the hearing Claimants Hinkle and Little withdrew their claims relating to Baker VideoActive Realty Limited Partnership.

**AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. That BMIG is liable to each Claimant and shall pay to each Claimant damages in the amount of \$5,000.00.
2. That each party shall pay its own costs and expenses, including attorney's fees, with the exception of Forum Fees as discussed below.
3. That any and all relief not specifically addressed herein is denied.

**FORUM FEES**

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed:

4 sessions x \$750.00 = \$3,000.00

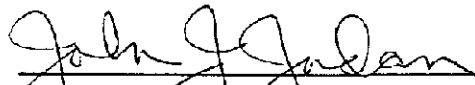
Forum Fees are assessed to each Claimant at \$500.00 and to Respondent BMIG at \$1,500.00. Each Claimant shall receive credit for the \$500.00 hearing session deposit previously submitted to the NASD Regulation, leaving Claimants with no further assessments due. Respondent BMIG has a net assessment due of \$1,500.00.

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

DATE

CONCURRING ARBITRATORS' SIGNATURES

6/4/97

  
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John J. Jordan, Presiding  
Public Arbitrator

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Harold P. Starr  
Public Arbitrator

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Charles W. Lake  
Industry Arbitrator

Date Decision Served by NASD Regulation: June 10, 1997

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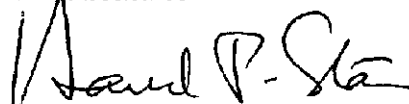
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5/29/97

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