

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Alicia P. Manglapus

96-02901

Name of Respondent

Cohig & Associates, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 8, 1996, Claimant Alicia P. Manglapus ("Claimant") through her representative, Steven S. Perlas, alleged that Respondent Cohig & Associates, Inc. ("Respondent") through its account manager, solicited her the purchase of 2000 shares of Natures Elements Holding Corp. ("NEHC"), on March 30, 1994. Claimant further alleged that NEHC was an initial public offering underwritten by Respondent. Claimant also alleged that Respondent exercised its Underwriter's option to purchase an additional 131,250 units of NEHC. Claimant contended that by soliciting purchase of NEHC shares, Respondent acted in its own interest and failed in its fiduciary responsibility to her. Claimant further contended that Respondent offered the 2000 shares at 4 3/8 while the Prospectus reflected that the transaction should have been for 1000 shares at \$8.25. Claimant also contended that according to the Prospectus there should have been a stock split resulting in 2000 shares of common stock and 1000 warrants. Claimant asserted that Respondent did not adhere to the conditions of the Offering. Claimant asserted that NEHC was highly recommended by Respondent and was also forecast for immediate price appreciation. Claimant further asserted that NEHC filed for bankruptcy in 1995 and that Respondent misrepresented and exaggerated the Company's Prospectus for growth and share price appreciation. Claimant also asserted that Respondent withheld the Company's Prospectus and California Blue Sky Law qualifier and may have executed an improper trade which should be voided.

Respondent Cohig & Associates, Inc., through its representative and in-house counsel, Russel K. Bean, Esq., maintained that Claimant purchased 2000 shares of NEHC in secondary trading of the security. Respondent further maintained that the purchase was within the time frame where a Prospectus was offered, but after the offering. Respondent also maintained that it did not conform to the terms of the offering in the Prospectus since Claimant did not purchase the public offering. Respondent contended that Claimant received a copy of the Prospectus and

cannot complain that the condition of the company was misrepresented. Respondent further contended that since Claimant had a copy of the Prospectus she could have complained much earlier than she did. Respondent also contended that Claimant's complaint that the offering was not blue skied in California is not an issue since Claimant is a citizen of the Philippines. Respondent asserted that Claimant transferred out her position in NEHC in October 1994, when the price of the security was \$2.375. Respondent further asserted that Claimant could have sold the security at that time, to minimize her losses.

RELIEF REQUESTED

Claimant requested \$8,765.00 in actual damages, plus any penalty award necessary for possible violation of proper trading procedures.

Respondent requested that all claims against it be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator considered and reviewed all documentation submitted by the parties regarding Claimant's Motion to Preclude Respondent's Statement of Answer because it was filed late. The Arbitrator denied the Motion.

AWARD

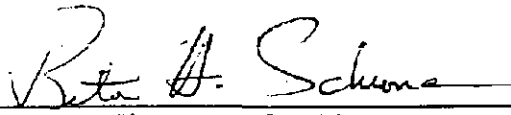
Pursuant to Section 10302 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Rita H. Schuman, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 2, 1996 and by the Respondent on August 19, 1996.

And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimant Alicia P. Manglapus against Respondent Cohig & Associates, Inc. are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent is liable and shall pay to the Claimant \$150.00 as reimbursement of the filing fee.
4. All other relief requests are denied.

AFFIRMATION

I, **RITA H. SCHUMAN**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

A handwritten signature in cursive script, reading "Rita H. Schuman", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: October 15, 1996