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AWARD

NASD REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimants

Howard Bloomberg, et al.

Case No.

96-04394

vs.

Name of Respondents

D. Blech & Company, Inc.

David D. Blech

Mark R. Sherman

REPRESENTATION

For Claimants, Barnet Bloomberg, Howard Bloomberg, Selectek, Inc., PDI, Inc. d/b/a Computers R ME, All Comp., etc. Repaired, Inc., Networking & Peripheral Distributing (PTY) Ltd., as successor in interest to Computing Distributors International, Inc. (collectively "Claimants"), Edward J. Dovini, Esq. from the firm of Page & Bacek, located in Atlanta, Georgia.

Respondents, D. Blech & Co., Inc., David Blech and Mark R. Sherman (collectively "Respondents"), did not appear at the hearing. See "Other Issues Considered and Decided" portion of this decision.

CASE INFORMATION

Statement of Claim was filed on October 1, 1996.

Claimants' Submission Agreements were signed on September 24, 1996 and November 22, 1996.

Respondents did not file Statements of Answer or execute Submission Agreements.

HEARING INFORMATION

Hearing Date/Sessions: June 24, 1997 - 2 Sessions

Hearing Location: Terrace Garden, Inc., 3405 Lenox Road, N.E., Atlanta, Georgia.

CASE SUMMARY

Claimants allege that their claims arise out of fraudulent and deceitful practices committed by Respondents which caused Claimants to lose virtually all of the assets in Claimants' accounts during the period of May 1994 through November 1994. Claimants contend that the fraudulent and manipulative acts committed by Respondents include: (a) directing and effecting dozens of cross trades among Claimants' various accounts for the primary purpose of generating commissions; (b) opening accounts for Claimants without authorization to enhance the cross trading; (c) directing and effecting dozens of excessive and unauthorized trades for the primary purpose of generating commissions; (d) directing and affecting unsuitable trades in speculative securities in Claimants' accounts; and (e) misrepresenting and omitting

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to state material facts to Claimants concerning the speculative nature of the securities purchased. Claimants allege various common law claims based in negligence and breach of contract.

Claimants state that Barneet Bloomberg is 61 years old and has two sons, Gavin and Howard. Claimants also state that these three Claimants own small private corporations involved in wholesale computer business that are also Claimants in this arbitration.

RELIEF REQUESTED

Claimants request an award in excess of \$800,000, pre- and post-judgment interest of 7% and 12% respectively, (O.C.G.A. Sections 7-4-2 and 12); punitive damages under Mastrobuono v. Shearson, Lehman Hutton, Inc. (Supreme Ct of the U.S., Docket No. 94-18. Decided March 6, 1995.) and O.C.G.A. Section 51-12-5; costs and expenses including attorney's fees; and, for such other relief as the arbitration panel deems just and proper.

OTHER ISSUES CONSIDERED & DECIDED

The parties present at the hearing have agreed that the Award in this matter may be executed in counterpart copies and have agreed to receive conformed copy of the Award while the original remains on file with the NASD Regulation, Inc. ("NASD Regulation").

Respondents did not file answers or execute Submission Agreements. Based upon the documentation on file with NASD Regulation concerning notice to the parties and the evidence submitted at the hearing, this panel proceeded with the hearing pursuant to Rules 10314, 10315 and 10318 of the Code of Securities Arbitration Procedure ("Code").

CASE RESOLUTION

AWARD

CASE DECISION

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

1. Respondents are hereby jointly and severally liable to Claimants and shall pay Claimants compensatory damage of Eight Hundred Thousand Dollars and Zero Cents (\$800,000.00).
2. Respondents are also jointly and severally liable to Claimant for interest in the amount of One Hundred Ninety Four Thousand, Eight Hundred Forty Nine Dollars and Thirty One Cents (\$194,849.31) at a rate of seven percent (7%) per annum from January 1, 1994 through June 24, 1997, plus twelve percent (12%) per annum from June 24, 1997 until paid.
3. Respondents are jointly and severally liable to Claimants and shall pay Claimants punitive damages in the amount of One Million Dollars and Zero Cents (\$1,000,000.00). (See O.C.G.A. Sections 51-12-5).
4. Respondents are further jointly and severally liable and shall pay Claimants Twenty Five Thousand Dollars in attorney fees (\$25,000.00).
5. Respondents are further liable for all fees due to NASD Regulation.

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FORUM FEES

Pursuant to Rule 10332 of the *Code*, the following Forum Fees are assessed against Respondents.

Non-refundable Filing Fee: \$250.00
Hearing Session Fees: \$2,000.00 (2 hearing sessions @ \$1,000.00 per session)
Total Fees: \$2,250.00

1. Respondents shall satisfy the fees assessed by reimbursing Claimants \$1,250.00 and by remitting the balance \$1,000.00 to NASD Regulation.

Fees are payable to the NASD Regulation, Inc.

ARBITRATION PANEL

Chandler Bridges, Esq.	-	Public Chairperson
S. Bennett Whipple	-	Public Panelist
Arthur J. Zelenak	-	Industry Panelist

Concurring Arbitrator Signature

Chandler Bridges
Chandler Bridges, Esq.

Date of Decision: July 21, 1997

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Concurring Arbitrator Signature


S. Bennett Whipple

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