

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimant

Joan Newberg

96-04801

Name of Respondents

American Eagle Investments, Inc.
Stanley Fagin

REPRESENTATION

Claimant Joan Newberg ("Claimant") was represented by J. Scott Kramer, Esq., Duane Morris & Hecksher, Philadelphia, PA.

Respondents Stanley Fagin ("Fagin") and American Eagle Investments, Inc. ("AEI") were represented by Jeffrey W. Golan, Esq., Barrack, Rodos & Bacine, Philadelphia, PA.

CASE INFORMATION

Statement of Claim filed: October 29, 1996

Claimant's Submission Agreement signed on: October 26, 1996

The Joint Statement of Answer filed by Respondents Fagin and AEI (collectively "Respondents") filed: January 24, 1997

Respondent Fagin's Submission Agreement signed on: January 29, 1997

Respondent AEI's Submission Agreement signed on: January 24, 1997

HEARING INFORMATION

Hearing Dates/Sessions: October 14, 1997/two sessions
 October 15, 1997/two sessions
 October 16, 1997/two sessions

Hearing Location: 37th Floor, Bell Atlantic Tower
 1717 Arch Street, Philadelphia, PA

CASE SUMMARY

Claimant alleged that Respondents, through Fagin, sold her three unregistered securities in the form of municipal lease assignments. Claimant also alleged that this form of investment was unsuitable for her, and was negligently misrepresented to her by Fagin in violation of his fiduciary duty to her. Claimant contended that fraudulent misrepresentations were also made to her in the sale of these instruments.

Respondents denied that the instruments sold to Claimant were securities and, therefore, did not have to be registered. In addition, Respondents maintained that the investment vehicle was suitable for a person of Claimant's sophistication and net worth. Respondents also maintained that a full disclosure was made to Claimant before she purchased the three instruments.

RELIEF REQUESTED

Claimant requested rescissionary damages in the form of a return to her of principal and interest, offset by the payments she received on the investments. In addition, Claimant sought recovery of punitive damages and attorney's fees.

Respondents requested the Claimant's entire claim 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.

At the commencement of the hearing, the panel was advised that Respondent Allen Rosenberg had filed a petition in bankruptcy thereby staying any proceedings against him. Therefore, the matter did not proceed against Mr. Rosenberg and he will be removed from the caption on the case, although he appeared as a witness at the hearing.

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. That Respondents AEI and Fagin are jointly and severally liable to and shall pay to Claimant the sum of \$96,601.25, representing return to her of principal and interest on her investments.
2. That the claim for punitive damages and attorney's fees is denied.
3. That Respondents AEI and Fagin are jointly and severally liable to and shall reimburse to Claimant the \$750.00 hearing session deposit previously submitted by Claimant to the NASD Regulation.
4. That each party shall pay its own costs and expenses, with the exception of the Forum Fees as specified below.
5. That any and all relief not specifically addressed herein shall be denied.

OTHER COSTS

Pursuant to Rule 10333 Respondent AEI is assessed a member surcharge of \$350.00.

9110002

FORUM FEES

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

6 sessions x \$750.00 = \$4,500.00

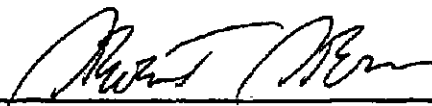
Forum Fees are assessed to Respondents AEI and Fagin, jointly and severally. Respondents AEI and Fagin shall receive credit for the \$750.00 hearing session deposit which Claimant submitted to the NASD Regulation and Respondents AEI and Fagin were ordered to reimburse directly to Claimant, leaving a net assessment due from Respondents AEI and Fagin of \$3,750.00.

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

DATE

CONCURRING ARBITRATORS' SIGNATURES

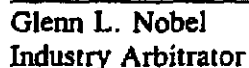
10/20/97



Steven T. Stern, Presiding
Public Arbitrator



Diane Ciccone
Public Arbitrator



Glenn L. Nobel
Industry Arbitrator

Date Decision Served by NASD Regulation:

October 31, 1997

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DATE

CONCURRING ARBITRATORS' SIGNATURES

Steven T. Stern, Presiding
Public Arbitrator

10/22/97

Diane Ciccone, Esq.
Diane Ciccone
Public Arbitrator

Glenn L. Nobel
Industry Arbitrator

Date Decision Served by NASD Regulation:

October 31, 1997

911003

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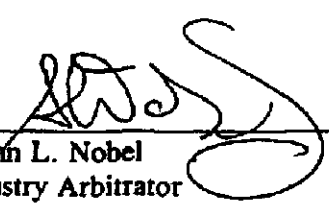
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CONCURRING ARBITRATORS' SIGNATURES

Steven T. Stern, Presiding
Public Arbitrator

Diane Ciccone
Public Arbitrator

10-27-97



Glenn L. Nobel
Industry Arbitrator

Date Decision Served by NASD Regulation:

October 31, 1997