

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Everen Securities

96-04939

Name of Respondent

George Hew

REPRESENTATION

For Claimant Everen Securities ("Claimant") appeared Don Andrews, Esq., internal representation for Everen Securities located in Chicago, Illinois.

Respondent George Hew ("Respondent") appeared *pro se*.

CASE INFORMATION

Claimant's Statement of Claim was filed on November 1, 1996.

Claimant's Submission Agreement was signed on November 20, 1996.

Respondent's Statement of Answer was filed on December 9, 1997.

Respondent did not file a signed Submission Agreement.

HEARING INFORMATION

Pre-Hearing Conference:	January 22, 1998	One Session
With Panel		

Hearing Date/Sessions:	May 12, 1998	One Session
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The hearing was conducted at the Club Quarters located in New York, New York.

CASE SUMMARY

Claimant alleged that, on May 16, 1991, Respondent opened an account with Prescott, Ball & Turben, its' predecessor firm. Claimant further alleged that Respondent transferred in to his account shares of Cascade International ("Cascade"), and subsequently purchased additional

shares. Cascade ceased trading in November 1991, and a debit balance of \$37,000.00 was left in Respondent's account. After repeated requests, Respondent made payments on the balance from November 1992 to June 1993. Claimant further alleged that despite further demands, Respondent has failed and refused to make additional payments on the outstanding debit balance.

Respondent maintained that, on May 16, 1991, he opened an account with Claimant and transferred into the account 3,000 shares of Cascade and 17,000 shares of Software Toolworks. Accordingly, Stephen Lent ("Lent") was assigned as his account executive. Respondent asserted that, between August 19, 1991 and November 15, 1991, the price of Cascade fluctuated, and he expressed his desire to Lent to sell all shares of Cascade and stop margin trading. Respondent further asserted that Lent, at the instruction of Claimant, coerced him to hold the stock and purchase additional shares. Respondent claimed that Lent breached his fiduciary duty and that his wrongful actions caused the margin call in Respondent's account. Respondent believed that Claimant and Lent knew or should have known that the margin purchases were unsuitable and unreasonable for his level of investment, sophistication and financial position. Respondent asserted that Cascade ceased trading when it was discovered that the shares were originally issued without authorization from Cascade's Board of Directors, thus Claimant violated federal and state securities laws by selling unregistered shares. Respondent further asserted that these shares should not have been sold to him, and that Claimant should have rescinded the transactions related to Cascade and adjusted his account accordingly.

RELIEF REQUESTED

Claimant requested damages not less than \$48,816.23, plus interests, reasonable attorneys' fees, and all costs and expenses.

Respondent requested that the Statement of Claim be dismissed and that all costs, including attorneys' fees, be assessed against Claimant.

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 original remains on file with the NASD.

The panel made the following determinations concerning Respondent who did not file a Submission Agreement and did not appear at the hearing in this matter:

1. Pursuant to Rule 10101 of the Code of Arbitration Procedure (the "Code"), the panel found subject matter jurisdiction over this entire controversy.
2. The panel found that Respondent was a customer with a member of the NASD at the time this controversy arose. Accordingly, the panel found personal jurisdiction over Respondent pursuant to Rule 10201 of the Code.

3. The panel found that Respondent was required to file a Submission Agreement with NASD Regulation pursuant to Rule 10314(b) of the Code.
4. In addition, in accordance with Rules 10310, 10315, and 10318 of the Code, the panel found that NASD Regulation provided Respondent with "due notice" of the hearing conducted in this matter by regular and certified mail. The panel further determined to proceed with the hearing without Respondent whose absence was unexcused.

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. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$56,140.00, plus interest at 9% per annum accruing from May 12, 1998 until the date the award is satisfied.
2. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$1,100.00 as reimbursement of the non-refundable filing fee and hearing session deposit previously paid by Claimant.
3. All requests for attorneys' fees are hereby denied.
4. All other requests are hereby denied.

OTHER COSTS

Pursuant to Rule 10333 of the Code, Claimant has paid to NASD Regulation, Inc. the \$200.00 member surcharge previously invoiced.

FORUM FEES

Pursuant to Rule 10205(c) of the NASD Regulation Code of Arbitration Procedure, the arbitrators have determined that the NASD will retain the \$500.00 non-refundable filing fee deposited by Claimant and have assessed the following Forum Fees:

1 Pre-hearing conference (with panel) x \$600.00	=	\$ 600.00
1 Hearing session x \$600.00	=	<u>\$ 600.00</u>
Total Forum Fees	=	\$1,200.00

1. Respondent be and hereby is liable for and shall pay the sum of \$1,200.00 representing the total forum fees assessed. Claimant previously deposited \$600.00 with NASD Regulation, Inc., and, therefore, Respondent is liable for

and shall remit the \$600.00 remaining balance.

2. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$1,100.00 as provided for in the "Award" section above.

Fees are payable to NASD Regulation, Inc.

ARBITRATION PANEL


William A. Mechmann, Esq.	-	Public Chairperson
Arnold Wagner	-	Public Arbitrator
Thomas A. Turley	-	Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE

Arnold Wagner
Public Arbitrator

Date of decision: June 25, 1998

I, Arnold Wagner, 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.



Arnold Wagner

ARBITRATION PANEL

William A. Mechmann, Esq.	-	Public Chairperson
Arnold Wagner	-	Public Arbitrator
Thomas A. Turley	-	Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE

William A. Mechmann, Esq.
Chairperson-Public Arbitrator

Date of decision: June 25, 1998

I, William A. Mechmann, 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.

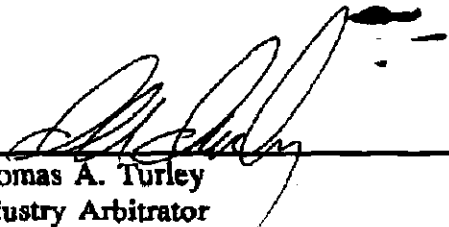


William A. Mechmann, Esq.

ARBITRATION PANEL

William A. Mechmann, Esq.	-	Public Chairperson
Arnold Wagner	-	Public Arbitrator
Thomas A. Turley	-	Industry Arbitrator

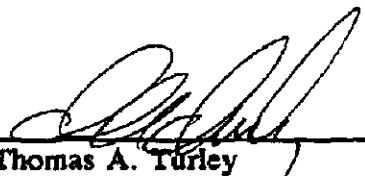
CONCURRING ARBITRATOR'S SIGNATURE



Thomas A. Turley
Industry Arbitrator

Date of decision: June 25, 1998

I, Thomas A. Turley, 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.



Thomas A. Turley

his work habits and, ultimately, he refused and was permitted to resign. Respondent denied that this matter was about the Office.

RELIEF REQUESTED

Claimant requested that he be awarded:

1. \$450,000.00 for one year of lost business when he was required to resign from Respondent;
2. \$132,644.37 in deferred compensation;
3. \$250,000.00 in punitive damages;
4. attorneys' fees;
5. a direction to Respondent to amend his U-5 to indicate that he voluntarily resigned; and
6. that all forum fees be charged to Respondent.

Respondent requested that the Statement of Claim be dismissed in its entirety and that it be awarded costs and expenses of this arbitration.

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 NASD Regulation, Inc.

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. Respondent is hereby directed to amend Claimant's Form U-5 to indicate that Claimant voluntarily resigned from Respondent's employ.
2. Claimant's requests for damages, deferred compensation and punitive damages are hereby denied.
3. Claimant's request for attorneys' fees is hereby denied.

4. All other requests are hereby denied.

OTHER COSTS

Pursuant to Rule 10333 of the NASD Code of Arbitration Procedure ("Code"), Respondent has paid NASD Regulation, Inc. the \$500.00 member surcharge previously invoiced.

FORUM FEES

Pursuant to Rule 10205(c) of the Code, the arbitrators have determined that NASD Regulation, Inc. will retain the \$500.00 non-refundable filing fee and \$1,000.00 hearing session deposit previously submitted by Claimant and have assessed the following forum fees:

5 Pre-hearing conferences x \$300.00	=	\$ 1,500.00
1 Pre-hearing conference (with full panel) x \$1,000.00	=	\$ 1,000.00
18 Hearing Sessions x \$1,000.00	=	\$18,000.00
- Hearing Session Deposit	=	\$ 1,000.00
 Total Outstanding Forum Fees	=	 \$19,500.00

Respondent be and hereby is liable for and shall pay to NASD Regulation, Inc. the sum of \$19,500.00, representing the total amount of outstanding forum fees assessed.

ARBITRATION PANEL

Robert D. Herschman, Esq.	-	Public Chairperson
Arnold Wagner	-	Public Arbitrator
Fred Shinagel	-	Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE



Robert D. Herschman, Esq.

Date of decision: March 2, 1999

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.

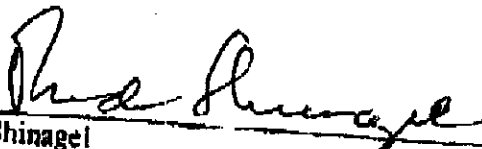


Robert D. Herschman, Esq.

ARBITRATION PANEL


Robert D. Herschman, Esq.	-	Public Chairper
Arnold Wagner	-	Public Arbitran
Fred Shinagel	-	Industry Arbitra

CONCURRING ARBITRATOR'S SIGNATURE


Fred Shinagel

Date of decision: March 2, 1999

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


Fred Shinagel