

NASD REGULATION, INC. AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Michael Orlov and Yelena Kamenker-Orlov

v.

Arbitration No.
96-04970

Name of Respondents

Finance 500, Inc. and John Hiers

REPRESENTATION

For Claimants:

Michael Orlov
Yelena Kamenker-Orlov
In Pro Per
Brookline, Massachusetts

For Respondent John Hiers:

John Hiers
In Pro Per
Corona, California

CASE INFORMATION

Statement of Claim filed: November 7, 1996

Claimants' Submission Agreement signed: November 2, 1996

Statement of Answer filed by
Respondent John Hiers: None Filed

Respondent's Submission Agreement signed: None Filed

HEARING INFORMATION

Pre-Hearing Conference Dates/Sessions: July 21, 1997 (1 session)
Hearing Dates/Sessions: March 9, 1998 (2 sessions)
Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondents engaged in churning and misrepresentation, failed to disclose risks, recommended unsuitable securities, engaged in fraud, breached the fiduciary duty owed to Claimants and made false statements. Claimants also alleged that Respondent Finance 500, Inc. failed to properly supervise John Hiers.

Respondent Finance 500, Inc. settled with Claimants on May 13, 1997.

Respondent John Hiers did not file an answer.

RELIEF REQUESTED

Claimants sought compensatory damages of \$100,000.00, damages for lost income and punitive damages. Claimants specified that the total awardable relief equaled \$150,760.00 but that Claimants were willing to limit their relief request under the pleading rules of this arbitration to \$100,000.00.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 Regulation, Inc., Office of Dispute Resolution.

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. All of Claimants' claims are denied in their entirety.
2. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEES

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

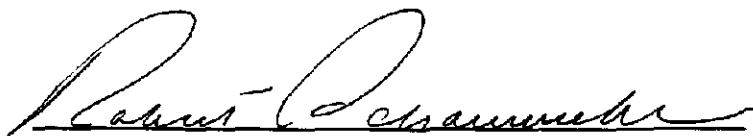
One (1) Pre-Hearing Conference @ \$500.00/Session	= \$ 500.00
<u>Two (2) Hearing Sessions @ \$500.00/Session</u>	<u>= \$1,000.00</u>
Total Forum Fees Assessed	= \$1,500.00
 Claimants' (joint & several) One-Half Share	= \$750.00
<u>Claimants' Credit for Hearing Session Deposit</u>	<u>= \$500.00</u>
Claimants' (joint & several) Balance Due	= \$250.00
 <u>Respondent John Hier's One-Half Share</u>	<u>= \$750.00</u>
Respondent John Hier's Balance Due	= \$750.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Arbitrators</u>
Robert Schouweiler, Esq.	Public Arbitrator
John McShane	Industry Arbitrator
Joseph Coscarelli	Public Arbitrator

Concurring Arbitrators' Signatures


Robert Schouweiler, Esq.

John McShane

Joseph Coscarelli

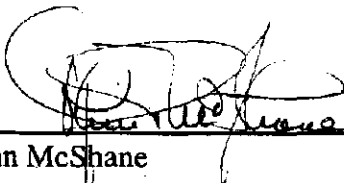
Date of Service: 3/25/98

ARBITRATORS

<u>Name</u>	<u>Arbitrators</u>
Robert Schouweiler, Esq.	Public Arbitrator
John McShane	Industry Arbitrator
Joseph Coscarelli	Public Arbitrator

Concurring Arbitrators' Signatures

Robert Schouweiler, Esq.



John McShane

Joseph Coscarelli

Date of Service: 3/25/98

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John McShane



Joseph Coscarelli

Date of Service: 3/25/98