

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimant

Lawrence Group Partners, L.P.

96-05304

Name of Respondents

Euro-Atlantic Securities, Inc.
Brett Hamburger
Joseph Blumenthal

REPRESENTATION

For claimant Lawrence Group Partners, L.P. ("claimant") appeared its representative Thomas J. McCabe, Esq. a sole practitioner located in New York, New York.

Respondents Euro-Atlantic Securities, Inc. ("EAS"), Brett Hamburger ("Hamburger") and Joseph Blumenthal ("Blumenthal") did not enter an appearance at the hearing on the merits.

CASE INFORMATION

Statement of Claim filed: November 27, 1996.

Claimant's Submission Agreement signed on: November 26, 1997.

Statement of Answer filed by respondent EAS on: January 22, 1997.

Respondent EAS' Submission Agreement signed on: January 22, 1997.

HEARING INFORMATION

Hearing Dates/Sessions: June 16, 1997.

The hearing was conducted at the offices of the National Association of Securities Dealers Regulation, Inc. located at 125 Broad Street in New York, New York.

CASE SUMMARY

Claimant alleged that on September 4, 1996, it purchased 95,000 shares of Alpha Solarco, Inc. ("ASCO") through EAS in order to cover a short position. Claimant further alleged that Hamburger effected the trade and confirmed it on September 5, 1996. Claimant also alleged that on September 7, 1996, EAS delivered only 50,000 ASCO shares leaving it 45,000 shares short. Claimant contended that it immediately contacted Hamburger about the shortage and was assured that the 45,000 shares would be forthcoming. Claimant further contended that despite the assurance, the shares were never delivered. Claimant also contended that on September 10, 1996, it ordered 4,000 shares of American Toys, Inc. from Hamburger and wired it \$22,000 to cover the purchase. Claimant asserted that through Blumenthal it sold the shares on September 11, 1996 for \$21,000.00. Claimant further asserted that several unauthorized trades took place after the sale of American Toys, Inc. which caused the complete loss of the \$21,000.00.

Respondent EAS maintained that the claim is a poorly contrived story which has not basis in fact. Respondent further maintained that the claimant failed to completely pay for its transactions as demonstrated by the account documentation. Respondent also maintained that because of non-payment, it was required by Regulation T to liquidate the position. Respondent contended that in accordance with Regulation T, any purchase order for the 90 days following the sellout date of August 28, 1996 would have to have been paid in full prior to the execution. Respondent further contended that the account statement shows that payment in full for the ASCO shares was never received which prevented it from executing an order on behalf of claimant.

Respondents Hamburger and Blumenthal did not file Statements of Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant requested a joint and several award in the amount of \$51,915.00 plus interest from September 4, 1996, costs, attorney's fees, and such further relief as the arbitrators deem just and proper.

Respondent EAS requested that the claims be dismissed in their entirety plus that it be reimbursed for costs and fees.

OTHER ISSUES CONSIDERED & DECIDED

At the commencement of the hearing, it was discovered that the chairperson, David Billet, had a close personal relationship with a relative of a material witness. In light of this information, the chairperson withdrew from the case determining that would be in the best interests of the parties to this matter for him to do so. The parties at the hearing were presented with the choice of either proceeding with the remaining two arbitrators or of having the case scheduled for another day and allowing NASD Regulation to appoint a new chairperson. The parties elected to go forward with two arbitrators.

The arbitration panel made the following rulings concerning respondent Hamburger and Blumenthal who did not file Statements of Answer nor Submission Agreements, and who also failed to appear at the evidentiary hearing conducted in this matter:

1. Pursuant to Rule 10101 of the NASD Code of Arbitration Procedure (the "Code"), the panel found subject matter jurisdiction over this entire controversy.
2. The panel found that respondents Joseph Blumenthal and Brett Hamburger were associated persons of an NASD member firm at the time this controversy arose. Consequently, the panel found personal jurisdiction over respondents Blumenthal and Hamburger pursuant to Rule 10301 of the Code.
3. In view of (2) above, the panel found that respondents Hamburger and Blumenthal were required to file with NASD Regulation a Statement of Answer and a properly executed Submission Agreement pursuant to Rule 10314(b) of the Code. In this regard, the panel found that the Statement of Claim was properly served upon respondents Blumenthal and Hamburger, pursuant to Rule 10314(a) of the Code.
4. In addition, in accordance with Rules 10310 10315 and 10318 of the Code, the panel found that NASD Regulation provided respondents Hamburger and Blumenthal with "due notice" of the hearing conducted in this matter by regular and certified mail. The panel therefore, determined to proceed with the hearing without respondents Hamburger and Blumenthal, whose absences were unexcused.

The parties which appeared at the hearing, 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.

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. Respondents Euro-Atlantic Securities, Inc., Brett Hamburger and Joseph Blumenthal are jointly and severally liable and shall pay to claimant Lawrence Group Partners, L.P. \$5,000.00 in actual damages.
2. The parties shall bear their respective attorney's fees and costs.
3. All other relief requests are denied.

FORUM FEES

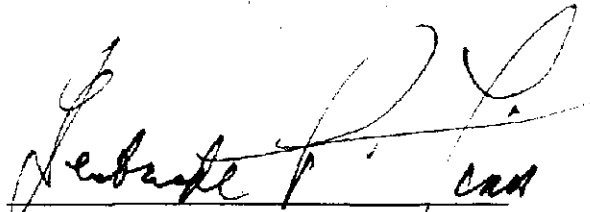
Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation shall retain the \$150.00 non-refundable filing fee previously deposited by claimant and have assessed the following forum fees:

two sessions x \$500.00	= \$1,000.00
minus claimant's \$500.00 deposit	= \$ 500.00
total outstanding	= \$ 500.00

Respondents Euro-Atlantic Securities, Inc., Brett Hamburger and Joseph Blumenthal be hereby are jointly and severally liable for the sum of \$1,000.00 representing the total amount of forum fees assessed. Therefore, respondents shall pay to claimant \$500.00 as reimbursement of the hearing session deposit. In addition, respondents shall pay to NASD Regulation, Inc. \$500.00 in satisfaction of outstanding forum fees.

ARBITRATORS' SIGNATURES

I, Gertrude P. Finn, 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.


Gertrude P. Finn
Public Arbitrator

I, Ethel Schwartz, 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.

Ethel Schwartz
Industry Arbitrator

Date of Decision:

July 14, 1997

FORUM FEES

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ARBITRATORS' SIGNATURES

I, Gertrude P. Finn, 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.

Gertrude P. Finn
Public Arbitrator

I, Ethel Schwartz, 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.

Ethel Schwartz
Industry Arbitrator

Date of Decision: July 14, 1997