

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant/Counter-Respondent:

Wedbush Morgan Securities

v.

Arbitration No.

96-05470

Name of Respondent

Eric W. Lytle

v.

Name of Third-Party Respondent

Dennis LoPresti

REPRESENTATION

For Claimant/Counter-Respondent
Wedbush Morgan Securities and
Third-Party Respondent Dennis LoPresti:

Armen Sebastian, Esq.
Wedbush Morgan Securities
Los Angeles, California

For Respondent Eric W. Lytle:

Paul W. Thomas, Esq.
Law Offices of Paul W. Thomas
Carlsbad, California

CASE INFORMATION

Statement of Claim filed: November 19, 1996

Claimant's Submission Agreement signed: December 23, 1996

Statement of Answer/Counterclaim filed by
Respondent Eric W. Lytle: June 20, 1997

Respondent Eric W. Lytle's
Submission Agreement signed: May 14, 1997

Statement of Answer to Counterclaim filed by
Respondents Wedbush Morgan Securities and
Dennis LoPresti: July 14, 1997

Third-Party Respondent Dennis LoPresti's
Submission Agreement signed: June 23, 1997

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions: July 7, 1997 (1 Session)
September 23, 1997 (1 Session)

Hearing Dates / Sessions: September 30, 1997 (2 Sessions)
October 1, 1997 (2 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondent Eric W. Lytle breached a written agreement entered into between Claimant and Respondent, whereby Respondent Eric W. Lytle agreed to pay twenty (20) percent of all losses incurred from the trading activities in Respondent's accounts.

Respondent Eric W. Lytle denied Claimant's claims and asserted that Claimant's wrongful conduct and actions extinguished and discharged any and all obligations Respondent may otherwise have had. Additionally, Respondent alleged that Claimant and Third-Party Respondent Dennis LoPresti committed negligence, misrepresentation, and racial discrimination/constructive termination.

Claimant Wedbush Morgan Securities and Third-Party Respondent Dennis LoPresti denied Respondent's allegations contained in his Counterclaim in their entirety.

RELIEF REQUESTED

Claimant sought compensatory damages in the amount of \$42,088.00, interest as mandated by the agreement and dismissal of Respondent's Counterclaim in its entirety.

Respondent sought dismissal of Claimant's Statement of Claim in its entirety, compensatory damages in the amount of \$238,000.00, punitive damages in the amount of \$25,000.00, interest, attorneys' fees, and costs.

Third-Party Respondent Dennis LoPresti sought dismissal of Respondent's Counterclaim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either 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 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. Respondent Eric W. Lytle is liable to and shall pay Claimant compensatory damages in the amount of \$42,088.00 and interest at eight (8) percent per annum from the date of the award.
2. Respondent Eric W. Lytle's Counterclaim against Claimant and Third-Party Respondent Dennis LoPresti is denied in its entirety.
3. Each party shall bear his/its own costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

Two (2) Pre-Hearing Conferences @ \$750.00/Session	=	\$1,500.00
Four (4) Hearing Sessions @ \$750.00/Session	=	\$3,000.00
Total Forum Fees Assessed	=	\$4,500.00

Claimant Wedbush Morgan Securities' One-Half Share	=	\$2,250.00
Credit for Hearing Session Deposit	=	(\$600.00)
Claimant Wedbush Morgan Securities' Total Balance Due	=	\$1,650.00

Respondent Eric W. Lytle's One-Half Share	=	\$2,250.00
Credit for Hearing Session Deposit	=	(\$750.00)
Respondent Eric W. Lytle's Total Balance Due	=	\$1,500.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name.....</u>	<u>Public / Industry</u>
Leo B. Rotter	Industry Arbitrator
Ben H. Stairs	Industry Arbitrator
Ronald E. Ogden	Industry Arbitrator

Concurring Arbitrators' Signatures



Leo B. Rotter

Ben H. Stairs

Ronald E. Ogden

Date of Service: _____

ARBITRATORS

<u>Name.....</u>	<u>Public / Industry</u>
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Ben H. Stairs	Industry Arbitrator
Ronald E. Ogden	Industry Arbitrator

Concurring Arbitrators' Signatures

Leo B. Rotter



Ben H. Stairs

Ronald E. Ogden

Date of Service: 10/6/97

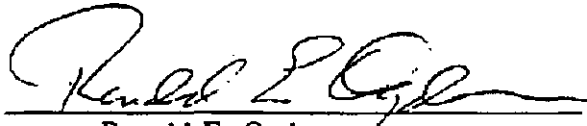
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