

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Joyce Kossack, Trustee-The Kossack Survivors Trust and
The Kossack Marital Trust, Joseph G. & Eileen Milstein, JTWROS,
and Joseph G. Milstein, IRA

v.

Arbitration No. 96-05619
Consolidated with 96-05620

Name of Respondents

Lazar Frederick and Co., and Betty Rubin

REPRESENTATION

For Claimant Joyce Kossack:

Joyce Kossack
In Pro Per
Sherman Oaks, California

For Claimants Joseph and Eileen Milstein:

Mark Milstein, Esq.
Santa Monica, California

For Respondents:

Tim McGonigle, Esq.
Ruben & McGonigle
Los Angeles, California

CASE INFORMATION

Claimant Joyce Kossack's
Statement of Claim filed:

December 18, 1996

Claimants Joseph and Eileen Milstein's
Statement of Claim filed:

December 17, 1996

Claimant Joyce Kossack's
Submission Agreement signed:

December 18, 1996

Claimant Joseph and Eileen Milstein's
Submission Agreement signed:

December 18, 1996

Joint Statement of Answer
filed by Respondents:

July 23, 1997

Respondent Lazar Frederick & Co.'s
Submission Agreement signed:

August 2, 1997

Respondent Betty Rubin's
Submission Agreement signed:

August 2, 1997

HEARING INFORMATION

Pre Hearing Conference Dates / Sessions:

June 19, 1997 (1 Session)
July 31, 1997 (1 Session)
January 9, 1998 (1 Sessions)

Hearing Dates / Sessions:

January 13, 1998 (2 Sessions)
January 14, 1998 (1 Session)
January 15, 1998 (2 Sessions)
March 4, 1998 (2 Sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant Joyce Kossack alleged that Respondents negligently recommended investments to Claimant; and failed to advise Claimant of the risks associated with the recommended investments. Claimant Joyce Kossack also alleged that Respondents failed to properly conduct due diligence, sold fraudulent securities, and committed malpractice.

Claimants Joseph and Eileen Milstein alleged that Respondents failed to disclose the risks associated with the recommended investments, were negligent, and failed to conduct due diligence. Claimants Joseph and Eileen Milstein also alleged that Respondents engaged in malpractice, made negligent recommendations, sold fraudulent securities; and engaged in practices constituting conflicts of interests.

All Claimants alleged that Respondents sold unregistered, non-exempt securities.

Respondent denied each and every allegation of wrongdoing set forth in the Claimants' Statements of Claim.

RELIEF REQUESTED

Claimant Joyce Kossack requested \$185,000.00 in compensatory damages plus interest accruing at the legal rate from December 1995. Claimant also requested \$300,000.00 in punitive damages, plus attorney's fees and costs.

Claimants Joseph and Eileen Milstein requested compensatory damages of \$200,000 plus interest accruing at the legal rate commencing from December 1995. Claimants also Joseph and Eileen Milstein requested \$300,000.00 in punitive damages, plus attorney's fees and costs.

Respondent requested that the Arbitration Panel dismiss the Claimants' claims in their entirety. Respondents also requested arbitration costs.

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.

By order of the Arbitration Panel, Arbitration No. 96-05619 was consolidated with Arbitration No. 96-05620 on July 31, 1997.

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:

Two Full Panel Pre-Hearing Conference Sessions @ \$750.00 / Session	=	\$1,500.00
One Single Panel Member Pre-Hearing Conference Session @ \$300.00 / Session	=	\$300.00
<u>Seven Hearing Sessions @ \$750.00 / Session</u>	=	<u>\$5,250.00</u>
Total Fees Assessed:	=	\$7,050.00

Claimant Joyce Kossack's One-Quarter Share	=	\$1762.50
<u>Credit for Claimant Joyce Kossack's Hearing Session Desposit</u>	=	<u>(\$750.00)</u>
Claimant Joyce Kossack's Balance Due		

Claimants Joseph and Eileen Milstein's One-Quarter Share	=	\$1762.50
<u>Credit for Claimants Joseph and Eileen Milstein's Hearing Session Deposit</u>	=	<u>(\$750.00)</u>
Claimants Joseph and Eileen Milstein's Balance Due	=	\$1012.50

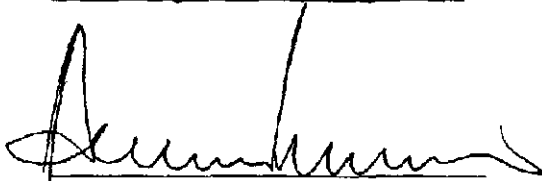
<u>Respondents Joint and Several One-Half Share</u>	=	<u>\$3,525.00</u>
Respondents' Joint and Several Balance Due	=	\$3,525.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Herbert Murez, Esq.	Public Arbitrator
George J. Rosen	Industry Arbitrator
Kenan Oldham, Esq.	Public Arbitrator

Concurring Arbitrators' Signatures


Herbert Murez, Esq.

George J. Rosen

Kenan Oldham, Esq.

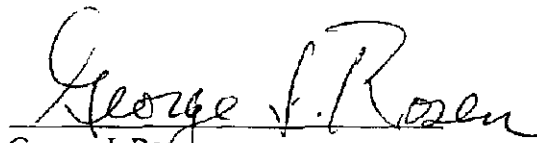
Date of Service: _____

ARBITRATORS

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Herbert Murez, Esq.



George J. Rosen

Kenan Oldham, Esq.

Date of Service: _____


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Herbert Murez, Esq.

George J. Rosen



Kenan Oldham, Esq.

Date of Service: MARCH 25, 1998