

AWARD
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Jerry West
Jerry West IRA
Glenn Lazenby IRA

vs.

97-06042

Name of Respondents

Renaissance Financial Securities
Todd Spehler
James S. Heitzer
Christine A. Heitzer

REPRESENTATION

For Claimant: Mark McNair, Esq., Washington, D.C.

Respondents Renaissance Financial Services ("RFS"), Todd M. Spehler ("Spehler"), James S. Heitzer ("J. Heitzer") and Christine A. Heitzer ("Heitzer") did not appear.

CASE INFORMATION

Statement of Claim filed: December 30, 1997
Amended Statement of Claim filed: March 19, 1999
Claimant's Submission Agreement signed on: February 2, 1998
Claimant's Revised Submission Agreement signed on: November 11, 1998

No Answers or agreements to arbitrate were filed by Respondents RFS, Spehler, J. Heitzer or C. Heitzer (collectively "Respondents").

HEARING INFORMATION

Pre-Hearing Conference: December 14, 1998/one session
Hearing Date/Sessions: May 20, 1999/one session
Hearing Location: NASD Headquarters, Washington, D.C.

CASE SUMMARY

Claimants alleged that Respondents engaged in unauthorized trading involving unsuitable securities in Claimants' accounts. Claimants alleged that Respondents' actions were negligent and resulted in a breach of contract and a breach of their fiduciary duty to Claimants. Claimants also alleged that RFS failed to supervise the Heitzers and other associated persons. Claimants asserted that they informed Respondents that they wanted growth and international securities but specifically stated they did not want to be involved with low capitalization stocks.

Claimants alleged that in December 1995 Respondents executed a large position of Petersburg Longdistance without authorization, but Claimants managed to liquidate that position without a loss. Claimants stated that they reminded Respondents at that time, that no transactions were to occur without authorization of Claimants. However, Claimants alleged that in August and September 1996, Respondents placed Claimants in three highly speculative stocks; i.e., Chancellor Group, Interactive Telephone and Promotel, all without authorization. As a result, Claimants suffered losses in their accounts.

Respondents did not submit any response or answer to Claimants' allegations.

RELIEF REQUESTED

Claimants requested damages of \$39,432.00 in Dr. West's accounts and losses of \$6,470.00 in Dr. Lazenby's accounts, pre-award interest from December 1996 to date of hearing at 10% per annum, as well as punitive damages of \$12,000.00 for Dr. West and \$2,500.00 for Dr. Lazenby; costs of \$781.00; collection costs of \$2,000.00 and attorneys' fees.

Respondents did not request relief.

OTHER ISSUES CONSIDERED & DECIDED

The parties in attendance at the hearing 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 agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

Upon review of the file and the representations made on behalf of the Claimant, that Respondent RFS was served with the Statement of Claim as confirmed by the CEO of RFS on October 1, 1998, J. Heitzer and C. Heitzer were personally served on May 4, 1999 and Respondent Spehler was personally served on May 12, 1999, the undersigned arbitrators determined that pursuant to Rule 10302, Rule 10314 and Rule 10315 of the NASD Code of Arbitration Procedure (the "Code") the arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

Respondents RFS, J. Heitzer, C. Heitzer and T. Spehler did not file with the NASD Regulation, Inc. Office of Dispute Resolution ("NASD") properly executed submissions to arbitration but

are required to submit to arbitration pursuant to Rule 10301 of the Code are bound by the determination of the arbitration panel on all issues submitted.

At the hearing Claimant provided information to the panel that Respondent Spehler filed for bankruptcy under Chapter 7 of the United States Bankruptcy Code in the Eastern District of New York (Westbury) on May 6, 1999. Therefore, pursuant to federal bankruptcy law, all action against Respondent Spehler will be stayed.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents RFS, J. Heitzer and C. Heitzer are jointly and severally liable to and shall pay to Claimant West \$39,432.00; and
2. That Respondents RFS, J. Heitzer and C. Heitzer are jointly and severally liable to and shall pay to Claimant Lazenby \$6,470.00; and
3. That Respondents RFS, J. Heitzer and C. Heitzer are jointly and severally liable to and shall pay to Claimants West and Lazenby \$5,738.00 for pre-award interest; and
4. That Respondents RFS, J. Heitzer and C. Heitzer are jointly and severally liable to and shall pay to Claimants West and Lazenby \$12,321.00 for legal fees and costs; and
5. That the request for punitive damages is denied; and
6. That any and all relief not specifically addressed herein is denied.

OTHER COSTS

Pursuant to Rule 10333 of the Code, RFS was assessed a member surcharge of \$800.00, but as RFS terminated its membership in the NASD, the surcharge was waived.

Pursuant to Rule 10319 of the Code, Claimant Jerry West was assessed an adjournment fee of \$400.00 for the requested adjournment of the March 17-18, 1999 hearing dates. Claimant West has not paid the adjournment fee.

FORUM FEES

Rule 10332 of the Code defines a hearing session as any meeting between the parties and the arbitrators, including a prehearing conference, which lasts four hours or less. Therefore, pursuant to Rule 10332(c) of the Code, the following Forum Fees are assessed:

1 prehearing session x \$400.00 =	\$400.00
1 hearing session x \$400.00 =	<u>\$400.00</u>
Total Fees =	\$800.00

Forum Fees are assessed at \$400.00 to Claimants, jointly and severally, and in the amount of \$400.00 to Respondents, jointly and severally.

Claimants, jointly and severally, shall receive credit for the \$400.00 hearing session deposit previously submitted to the NASD and it shall be applied to the forum fees due from Claimants, leaving only the adjournment fee of \$400.00 due from Claimant West.

Respondents RFS, J. Heitzer and C. Heitzer, jointly and severally, have forum fees due of \$400.00.

Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

DATE

6/9/99

CONCURRING ARBITRATORS' SIGNATURES

Virginia S. Carson
Virginia S. Carson, Chairman
Public Arbitrator

John M. Livingood
John M. Livingood
Public Arbitrator

Donald R. Giacomelli
Donald R. Giacomelli
Industry Arbitrator

Date Award Served by NASD:

June 18, 1999

FORUM FEES

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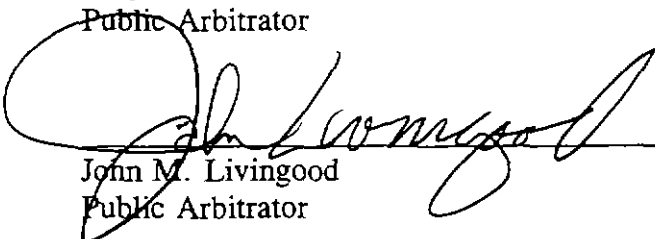
Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

DATE

CONCURRING ARBITRATORS' SIGNATURES

6/15/99

Virginia S. Carson, Chairman
Public Arbitrator



John M. Livingood
Public Arbitrator

Donald R. Giacomelli
Industry Arbitrator

Date Award Served by NASD:

June 18, 1999

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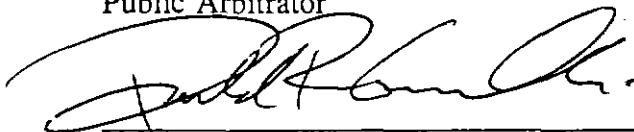
DATE

CONCURRING ARBITRATORS' SIGNATURES

Virginia S. Carson, Chairman
Public Arbitrator

John M. Livingood
Public Arbitrator

6/14/99



Donald R. Giacomelli
Industry Arbitrator

Date Award Served by NASD:

June 18, 1999