

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Elizabeth Beisner

vs.

Case No.
98-00068

Names of Respondents

Westrock Advisors, Inc.
Greg Martino

REPRESENTATION

Claimant Elizabeth Beisner ("Claimant") appeared *pro se*.

For Respondents Westrock Advisors, Inc. ("Westrock") and Greg Martino ("Martino") (collectively "Respondents") appeared Robert A. Giacovas, Esq. of the law firm of Lazare Potter & Giacovas, LLP, located in New York, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on January 5, 1998.
Claimant's Submission Agreement was signed on January 27, 1998.

Respondents' Joint Statement of Answer was filed on September 22, 1998.
Respondent Westrock's Submission Agreement was signed on September 22, 1998.
Respondent Martino's Submission Agreement was signed on September 22, 1998.

HEARING INFORMATION

Pre-Hearing Conference:	November 24, 1998	-	1 session
Hearing Dates/Sessions:	March 4, 1999	-	2 sessions
	March 5, 1999	-	1 session

The pre-hearing conference was conducted telephonically. The hearings were conducted at the

offices of NASD Regulation, Inc., located in New York, New York.

CASE SUMMARY

Claimant alleged that, in November, 1996, her ex-husband, John Beisner ("Beisner"), opened an individual account for her at Westrock. Claimant further alleged that, in November 1996, Beisner was involved in bringing a company called SDC International, Inc. ("SDC International") public. Claimant maintained that Beisner transferred 15,000 shares of SDC International into her new account. Claimant maintained that Martino, who was both her broker and Beisner's broker, was also Beisner's long-time friend and business associate. Claimant contended that, in mid-December of 1996, she asked Martino what she could do to insure that Beisner wouldn't have any knowledge of her account activity, given that she was engaged in divorce proceedings. Claimant alleged that Martino informed her that because Beisner was an officer of SDC International, he had access to information on all stock holders, but that Martino could not personally give Beisner any information regarding her account. Claimant asserted that, on December 13, 1996, Martino deliberately, recklessly, and negligently printed out a three-page confidential account update showing her "Account Display and Account Holdings." Claimant further asserted that Martino colluded with Beisner by sending this information, via facsimile, without her knowledge or approval, to Beisner. Claimant also asserted that Beisner then used this information to contest her claims for financial support in their divorce proceeding. Claimant maintained that, as a result of this information, her financial standing in the divorce proceedings was prejudiced. Claimant alleged that this was a deliberate violation of her trust and an invasion of her privacy. Claimant further alleged that Respondents breached their fiduciary duties, agency principal obligations, and contract obligations, with respect to the management of her account.

Respondents maintained that, after Claimant received a check for the November 22, 1996 sale of SDC International, Claimant contacted Beisner because she was concerned about the amount of the check. Respondents maintained that Claimant authorized the disclosure of her account information by requesting that her husband contact Westrock for the express purpose of confirming that she had received the correct proceeds from her stock sales. Respondents further maintained that Westrock generated and sent to Beisner the "account activity" pages in response to Claimant's inquiry. Respondents asserted that because Beisner set up the account for Claimant, he was aware of the account's stock composition and was aware that Claimant had sold some of the shares. Respondents further asserted that, as a result, they had no reason to believe that Beisner was not authorized to receive the information from Claimant's account. Respondents maintained that at no time were they told or otherwise made aware that Claimant's husband was intending to use this information for any "improper" purpose. Respondents contended that Claimant never complained to Martino and that, even though the account pages were submitted to the divorce court in December of 1996, they had only learned of this fact upon receiving the Statement of Claim.

RELIEF REQUESTED

Claimant requested \$400,000.00 in compensatory damages from Westrock and \$400,000.00 in

compensatory damages from Martino.

Respondents requested that the arbitrators dismiss the Statement of Claim in its entirety and award them such other and further relief as they deem just and proper.

OTHER ISSUES CONSIDERED & DECIDED

The parties 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, Inc.

Respondent Westrock is not a member of NASD and appeared at the hearings as a voluntary participant, having duly executed a Uniform Submission Agreement.

Respondent Martino was employed by Sandgrain Securities, Inc., a member firm at the time of the events giving rise to this dispute. Consequently, pursuant to Rule 10333 of the NASD Code of Arbitration Procedure, Sandgrain Securities, Inc. is liable for the member fees related to this case.

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. Claimant's Statement of Claim be and is hereby dismissed in its entirety.
2. All other claims be and are hereby denied.

OTHER COSTS

Pursuant to Rule 10333 of the Code of Arbitration Procedure ("*Code*"), Sandgrain Securities, Inc. shall pay NASD Regulation, Inc. the \$2,000.00 past due member surcharge previously invoiced.

Pursuant to Rule 10333 of the Code of Arbitration Procedure ("*Code*"), Sandgrain Securities, Inc. shall pay NASD Regulation, Inc. the \$600.00 past due pre-hearing process fee previously invoiced.

Pursuant to Rule 10333 of the Code of Arbitration Procedure ("*Code*"), Sandgrain Securities, Inc. shall pay NASD Regulation, Inc. the \$3,500.00 hearing process fee previously invoiced.

FORUM FEES

Pursuant to Rule 10332(a) of the *Code*, the arbitrators have determined that NASD Regulation, Inc. will waive the \$250.00 non-refundable filing fee and have assessed the following Forum Fees:

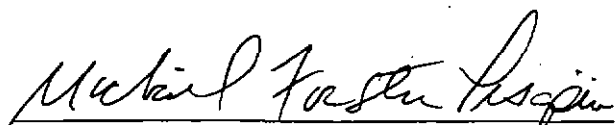
1 pre-hearing session x \$1,000.00	=	\$1,000.00
3 hearing sessions x \$1,000.00	=	<u>\$3,000.00</u>
Total Forum Fees	=	\$4,000.00

Respondents be and hereby are jointly and severally liable for and shall pay to NASD Regulation, Inc. the sum of \$4,000.00, representing the total amount of forum fees assessed.

ARBITRATION PANEL

Michael Forster Pisapia, Esq.	-	Public Chairperson
Marilyn J. Salzman, Esq.	-	Public Arbitrator
Joel E. Davidson, Esq.	-	Industry Arbitrator

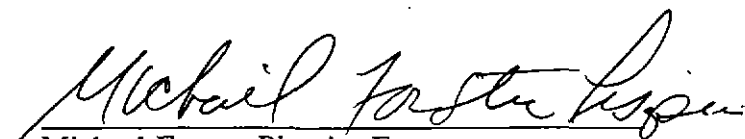
CONCURRING ARBITRATOR'S SIGNATURE



Michael Forster Pisapia, Esq.

Date of decision: April 8, 1999

I, Michael Forster Pisapia, Esq., 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.

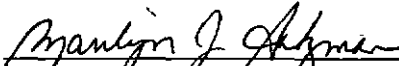


Michael Forster Pisapia, Esq.

ARBITRATION PANEL


Michael Forster Pisapia, Esq.	-	Public Chairperson
Marilyn J. Salzman, Esq.	-	Public Arbitrator
Joel E. Davidson, Esq.	-	Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE


Marilyn J. Salzman, Esq.

Date of decision: April 8, 1999

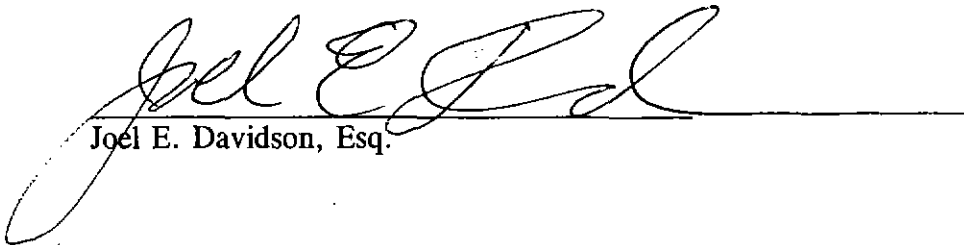
I, Marilyn J. Salzman, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Marilyn J. Salzman, Esq.

ARBITRATION PANEL

Michael Forster Pisapia, Esq.	-	Public Chairperson
Marilyn J. Salzman, Esq.	-	Public Arbitrator
Joel E. Davidson, Esq.	-	Industry Arbitrator

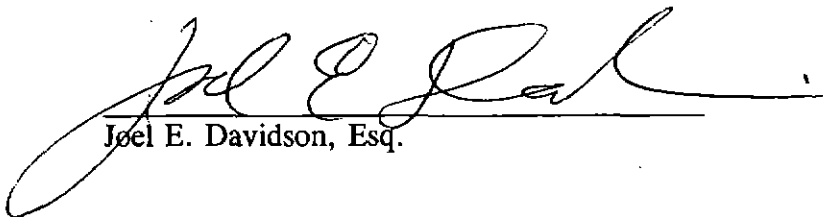
CONCURRING ARBITRATOR'S SIGNATURE



Joel E. Davidson, Esq.

Date of decision: April 8, 1999

I, **Joel E. Davidson, Esq.**, 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.



Joel E. Davidson, Esq.