Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Yale and Barbara Ladenheim

Case No. 99-04250

Names of Respondents

CIBC Oppenheimer Corp.
Roland G. Auclair
Russell W. Newton
Merit Capital Associates, Inc.

REPRESENTATION OF PARTIES

For Yale and Barbara Ladenheim, hereinafter collectively referred to as "Claimants": Darren C. Blum, Esq., Hollywood, Florida.

For CIBC Oppenheimer Corp. ("Oppenheimer"): Joseph Sullivan, Director, CIBC Oppenheimer Corp., New York, New York.

For Respondents Merit Capital Associates, Inc. ("Merit"), Ronald G. Auclair ("Auclair") and Russell W. Newton ("Newton"): Delmer C. Gowing, Esq., Delray Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: September 13, 1999.
Claimants signed the Uniform Submission Agreement on: August 19, 1999.
Statement of Answer filed by Respondent Oppenheimer on or about: January 10, 2000.
Respondent Oppenheimer's Uniform Submission Agreement signed on: May 25, 2000 by Joseph Sullivan on behalf of the firm.
Joint Statement of Answer filed by Respondents Merit, Auclair and Newton on or about: November 30, 1999,
Respondent Merit's Uniform Submission Agreement signed on: November 29, 1999 by Robert Fitzpatrick, on behalf of the firm.
Respondent Auclair signed the Uniform Submission Agreement on: November 29, 1999.
Respondent Newton signed the Uniform Submission Agreement on: November 29, 1999

CASE SUMMARY

Claimants alleged the following: Claimants invested a large part of their liquid net worth with Respondents and they specifically told Respondents that they could not afford to lose

their money. Respondents solicited Claimants and recommended that they invest in numerous speculative securities including, but not limited to, Lidak Pharmaceutical, Hondo Oil and Gas, Projectivision, and others. Respondents made misrepresentations of material facts to induce Claimants to buy and hold these securities and Claimants relied upon Respondents' misrepresentations to their detriment. Respondents also offered to sell securities to Claimants when they were not properly registered. Respondents Merit and Oppenheimer were negligent in their supervision, hiring, and retention of their employees. Respondents breached their contract with Claimants, breached their fiduciary duties, were negligent in their actions, and violated Chapter 517 of the Florida Statutes.

Unless specifically admitted in its Statement of Answer, Respondent Oppenheimer denied the allegations of wrongdoing contained in the Statement of Claim and alleged the following: Claimants' allegations are without merit; Claimants were sophisticated, experienced investors who sought to speculate in the stock market; the investments that Claimants made at Oppenheimer were suitable for investors with Claimants' experience, financial profile and investment objectives; a substantial portion of Claimants' alleged losses must have occurred after they transferred their account to another broker-dealer and are, therefore, not Oppenheimer's responsibility; as a matter of federal and state law, the claims must be dismissed because the claims asserted are barred by the relevant federal and state statutes of limitations; and, Claimants' claims concerning stocks purchased prior to September 1993 are ineligible for arbitration under the rules of the NASD because the purchases occurred more than six years prior to the filing of the claim.

Unless specifically admitted in their Statement of Answer, Respondents Merit, Newton and Auclair denied the allegations of wrongdoing contained in the Statement of Claim and alleged the following: No transactions occurred without Claimants' knowledge and all transactions were within Claimants' investment objectives; Claimants were sent information pertaining to various stocks and funds including reports, 10-Q's, prospectuses and annual statements; monthly statements updating the values and losses of Claimants investments were mailed to Claimants; Claimants had monthly discussions with Respondent Auclair to evaluate their portfolio; at no time did Respondent Auclair ever guarantee a transaction; and, Claimants failed to state a cause of action and the Statement of Claim should be dismissed in its entirety.

RELIEF REQUESTED

Claimants requested relief including, but not limited to, the following: compensatory damages of approximately $100,000.00; interest; costs; punitive damages; and, such other relief deemed just and proper by the Panel. Additionally, Claimants requested that the Panel include in the Award that Claimants prevailed under Florida Statute Section 517 and are, therefore, entitled to an award of attorneys' fees to be determined by a court of competent jurisdiction.

Respondent Oppenheimer requested a dismissal of the claim, plus costs and expenses.

Respondents Merit, Auclair and Newton requested a dismissal of the claim in its entirety and their costs and attorneys' fees incurred in the defense of this matter.

OTHER ISSUES CONSIDERED AND 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.

AWARD

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

1. Respondents Merit and Auclair are found liable, jointly and severally, and shall pay to Claimants the sum of $36,000.00, prejudgment interest specifically excluded.

2. Respondents Oppenheimer and Newton are found not liable and, therefore, all claims against them are hereby denied.

3. Claimants' requests for interest, costs, punitive damages and a finding that Claimants prevailed under Florida Statute 517 and are, therefore, entitled to attorneys' fees to be determined by a court of competent jurisdiction, are denied.

4. All other requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees
NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= $ 300.00

Member Fees
Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms, Oppenheimer and Merit, are parties.

Member surcharge	= $ 1,500.00
Pre-hearing process fee	= $ 600.00
Hearing process fee	= $ 2,500.00

Forum Fees and Assessments
The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel x $1,125.00			= $1,125.00
Pre-hearing conference date:	May 31, 2000	1 session	
Three (3) Hearing sessions x $1,125.00			= $3,375.00
Hearing Dates:	December 6, 2000	2 sessions	
	December 7, 2000	1 session	
Total Forum Fees			= $4,500.00

The Panel has assessed $2,250.00 of the forum fees to Claimants, jointly and severally.
The Panel has assessed $2,250.00 of the forum fees to Respondents Merit and Auclair, jointly and severally.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Claim Filing Fee	= $ 300.00
Forum Fees	= $2,250.00
Total Fees	= $2,550.00
Less payments	= $1,425.00
Balance Due NASD Dispute Resolution, Inc.	= $1,125.00

Respondents Merit and Auclair be and hereby are jointly and severally liable for:

Forum Fees	= $2,250.00
Total Fees	= $2,250.00
Less payments	= $ 0.00
Balance Due NASD Dispute Resolution, Inc.	= $2,250.00

Respondent Oppenheimer be and hereby is solely liable for:

Member Fees	= $4,600.00
Total Fees	= $4,600.00
Less payments	= $4,600.00
Balance Due NASD Dispute Resolution, Inc.	= $ 0.00

Respondent Merit be and hereby is solely liable for:

Member Fees	= $4,600.00
Total Fees	= $4,600.00
Less payments	= $4,600.00
Balance Due NASD Dispute Resolution, Inc.	= $ 0.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

Concurring Arbitrators' Signatures

/s/ 02/06/01
Mark C. Perry, **Esq.** Signature Date
Public Arbitrator/Chairperson

/s/ 02/05/01
Tamara H. Sheffman Signature Date
Public Arbitrator/Panelist

/s/ 02/07/01
Bernard A. Taub Signature Date
Industry Arbitrator/Panelist

February 8. 2001
Date of Service (For NASD-DR office use only)

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Mark C. Perry, Esq.
Public Arbitrator/Chairperson

2/6/00
Signature Date

Tamara H. Sheffman
Public Arbitrator/Panelist

Signature Date

Bernard A. Taub
Industry Arbitrator/Panelist

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Public Arbitrator/Panelist

Signature Date

Bernard A. Taub
Industry Arbitrator/Panelist

2/7/01
Signature Date

Date of Service (For NASD-DR office use only)