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JURY FINDS EX-HUSBAND DEFRAUDED WIFE OVER WORTH OF STOCK
AWARD AND SETTLEMENT COMBINE FOR \$1.2 MILLION

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A Philadelphia Court of Common Pleas jury last week awarded \$723,000 in compensatory damages -- and a promise of punitive damages -- to a woman defrauded by her ex-husband in their divorce settlement.

The parties settled for an additional \$300,000 in punitives out of court on Friday.

In order to finalize her 1995 divorce from Dr. Glenn Nathan, Laura Nathan signed a handwritten agreement drafted by her now-ex-husband. The agreement transferred the ownership of stock in Bala Cynwyd-based American Business Credit Inc. from wife to husband in return for \$30,000.

According to plaintiff's counsel Howard Levin of Anapol Schwartz Weiss Cohan Feldman & Smalley, Glenn Nathan told his wife of 11 years that the \$100,000 in shares the couple purchased in the privately held company in 1988 were nearly worthless -- a claim that later proved to be false.

American Business Credit Inc. promises "Loans as easy as ABC." Now known as American Business Financial Services Inc. or ABFS, the nationwide company offers a variety of investment opportunities and credit services.

With the agreement, Glenn Nathan gained 25 percent of the initial stock from his wife for \$5,000 more than the original purchase price.

Three months later, the company went public. The stock opened on the Philadelphia Stock Exchange at a price of \$10 to \$17.

Laura Nathan charged that her ex-husband had prior knowledge of the initial public offering and had fraudulently misrepresented the shares as worthless.

"This was a credibility case," Levin said, "The question was 'Who was more financially savvy?' And this was a common-sense case. The question was 'Do you really have to be tricked to [undersell stock]?'"

Levin, who usually concentrates his practice in medical malpractice claims, presented the jury with testimony from company officials and experts in the financial field.

One expert testified that planning a public offering takes three to five years, Levin said. Levin also produced copies of board meeting minutes with Glenn Nathan's name on them.

Defense counsel Joseph Cunningham, who could not be reached for comment late Friday, argued that Glenn Nathan's actions were not fraudulent because he did not have advance knowledge of the public offering and because Laura Nathan was represented by counsel in the divorce proceedings, according to Levin.

After a four-day trial in Judge Norman Ackerman's courtroom, the jury awarded Laura Nathan the equivalent of \$17 per share plus five years of interest for a total of \$723,000.

At the close of the NASDAQ stock market on Friday, ABFS stock was trading at 17 3/32.