

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

James L. Gensler

Case No. 00-00538

Hearing Site: Milwaukee, Wisconsin

Name of Respondent

Barron Chase Securities, Inc.; and
Craig Leszczak

REPRESENTATION OF PARTIES

Claimant James L. Gensler ("Gensler") was represented by Mark Sanders, Esq., of the firm of Halling & Cayo, S.C., located in Milwaukee, Wisconsin.

Respondent Barron Chase Securities, Inc. ("Barron Chase") was originally represented by Eugene Michael Kennedy, Esq., of the Law Office of Eugene Michael Kennedy, P.A., located in Fort Lauderdale, Florida. On January 29, 2001, Mr. Kennedy withdrew from representing Barron Chase and they were without counsel thereafter.

Respondent Craig Leszczak ("Leszczak") was represented by Michael Uilla, Esq., located in Brooklyn, New York.

CASE INFORMATION

Statement of Claim filed on or about: February 7, 2000.

Claimant signed the Uniform Submission Agreement: January 11, 2000.

Statement of Answer filed by Respondent Barron Chase on or about: May 3, 2000.

Respondent Barron Chase signed the Uniform Submission Agreement: February 29, 2000.

Statement of Answer filed by Respondent Leszczak on or about: May 8, 2000.

Respondent Leszczak did not file a signed Uniform Submission Agreement.

Claimant's Motion to Bar filed: February 13, 2001.

Respondent Leszczak's Response to the Motion to Bar filed on: March 1, 2001.

CASE SUMMARY

Claimant alleged that Respondent Leszczak, while employed as an account executive at Respondent Barron Chase, solicited and sold high risk, speculative common stocks which were inconsistent, inappropriate and unsuitable in light of Claimant's investment objectives and inexperience in the stock market. Claimant maintained that Respondents made negligent representations and omissions of material fact regarding investments traded in Claimant's account. Pursuant to the allegations, Claimant asserted claims based on: violation of the Wisconsin Uniform Securities Law; negligent misrepresentation; and negligence.

Unless specifically admitted in its Answer, Respondent Barron Chase denied the allegations made in the Statement of Claim and asserted the following affirmative defenses:

1. The Claimant, with full knowledge of the facts and risks presented to him, consented, directed, ordered and instructed all of the transactions in his account with Barron Chase;
2. The Claimant voluntarily and knowingly assumed all risks relating to his transactions in his account, and this assumption of risk was the direct and proximate cause of the losses which the Claimant incurred;
3. The Claimant knew or should have known that Leszczak could not guarantee no losses or predict the future price or earnings for the securities purchased;
4. Respondents did not willfully or knowingly participate in any violations of law, nor were they negligent in connection with the Claimant's purchase and sale of securities. In addition, Respondents did not violate any NASD rules and no private right of action exists for any violation of the NASD rules;
5. The Claimant is not entitled to receive any damages for the mere decline in value of his purchases;
6. To the extent any current or former affiliate of Barron Chase acted outside the scope of their affiliation, or without actual or apparent authority from Barron Chase, Barron Chase has no liability to Claimant;
7. Barron Chase relied upon any other matter constituting an avoidance or affirmative defense.

Unless specifically admitted in its Answer, Respondent Leszczak denied the allegations made in the Statement of Claim and asserted that the offering solicited to the Claimant was suitable in light of Claimant's prior investment history which included, without limitation, highly volatile commodities and currency trading prior to his Barron Chase investment. Moreover, documentation in those accounts disclosed that Claimant possessed in excess of thirty (30) years experience in stock and bonds trading. Leszczak further denied that any material misrepresentations were made in conjunction with Claimant's two knowing, intelligent and voluntary decisions to invest in the subject issuer.

RELIEF REQUESTED

Claimant requested rescission of the purchase of Oasis Corporation stock; compensatory

damages of \$33,268.75 plus interest; costs; reasonable attorneys' fees; and such other relief as the panel deemed appropriate.

Respondent Barron Chase requested dismissal of the claim with prejudice.

Respondent Leszczak requested that the Statement of Claim be denied in its entirety against him.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Leszczak did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

Claimant filed a Motion to Bar Respondents from Presenting Evidence at Hearing. After review of the motion and responses, the panel denied the Motion on March 5, 2001.

Upon review of the file and the representations made by the parties, the undersigned arbitrators determined that Respondent Barron Chase and Respondent Leszczak were properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

On July 25, 2001, Respondent Leszczak filed a Hearing Brief and Memorandum of Law. Claimant objected to the filing moving to strike the pleading as untimely based upon the scheduling order entered by the panel September 29, 2000. Leszczak responded to the objection. The Brief was sealed and sent to the panel after the hearing with the objection and response to the objection. The panel affirmed the objection and did not consider the brief in its deliberations.

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 Barron Chase Securities, Inc. and Craig Leszczak are jointly and severally liable for and shall pay to the Claimant, James L. Gensler, the sum of \$39,403.38 in compensatory damages and pre-judgment interest;
2. In addition, Respondents Barron Chase Securities, Inc. and Craig Leszczak are jointly and severally liable for and shall pay to the Claimant, James L. Gensler, the sum of \$10,000.00 as attorneys' fees. In deciding to award attorneys' fees, the panel considered the pleading filed by counsel, as well as the arguments and evidence produced at the hearing, and determined that authority existed for an award of attorneys' fees to the Claimant;
3. The parties shall bear their own costs of arbitration, including any additional attorneys' fees, except for those sums specifically enumerated in this award;

4. Any and all relief not specifically addressed herein is 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 = \$ 175.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the event giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$ 800.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$1,000.00

Adjournment Fees

Adjournments requested during these proceedings:

March 7-9, 2001 adjournment by Respondent Leszczak = \$ 600.00

Forum Fees and Assessments

The panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$600.00 = \$ 600.00

Pre-hearing conference: September 29, 2000 1 session

One (1) Hearing sessions x \$600.00 = \$ 600.00

Hearing Date: July 24, 2001 1 session

Total Forum Fees = \$1,200.00

The panel has assessed \$1,200.00 of the forum fees jointly and severally to Respondents Barron Chase Securities, Inc. and Craig Leszczak.

EEE SUMMARY

Claimant James L. Gensler is solely liable for:

Initial Filing Fee = \$ 175.00

Less payments = \$ 775.00

Balance Due from NASD Dispute Resolution, Inc. = \$ 600.00

NASD Dispute Resolution, Inc.
Arbitration No. 00-00538
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Respondent Barron Chase Securities, Inc. is solely liable for:

Member Fees	= \$2,400.00
Less payments	= \$ 800.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,600.00

Respondent Craig Leszczak is solely liable for:

Adjournment Fee	= \$ 600.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

Respondents Barron Chase Securities, Inc. and Craig Leszczak are jointly and severally liable for:

Forum Fees	= \$1,200.00
Less payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

William H. Levit, Jr., Esq. - Public Arbitrator, Presiding Chair
Gordon B. Shneider, Esq. - Public Arbitrator
Daniel J. Weinberger, Esq. - Non-Public Arbitrator

Concurring Arbitrators' Signatures

WH Levit Jr

William H. Levit, Jr., Esq.
Public Arbitrator, Presiding Chair

9-6-01

Signature Date

Gordon B. Shneider, Esq.
Public Arbitrator

Signature Date

Daniel J. Weinberger, Esq.
Non-Public Arbitrator

Signature Date

September 14, 2001

Date of Service (For NASD-Dispute Resolution office use only)

Respondent Barron Chase Securities, Inc. is solely liable for:

Member Fees	= \$2,400.00
<u>Less payments</u>	<u>= \$ 800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,600.00

Respondent Craig Leszczak is solely liable for:

Adjournment Fee	= \$ 600.00
<u>Less payments</u>	<u>= \$ 600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

Respondents Barron Chase Securities, Inc. and Craig Leszczak. are jointly and severally liable for:

Forum Fees	= \$1,200.00
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00

All balances are due to NASD Dispute Resolution, Inc.

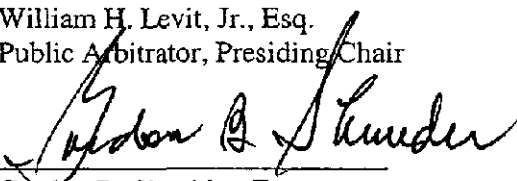
ARBITRATION PANEL

William H. Levit, Jr., Esq.- Public Arbitrator, Presiding Chair
Gordon B. Shneider, Esq.- Public Arbitrator
Daniel J. Weinberger, Esq.- Non-Public Arbitrator

Concurring Arbitrators' Signatures

William H. Levit, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date



Gordon B. Shneider, Esq.
Public Arbitrator

9/8/01

Signature Date

Daniel J. Weinberger, Esq.
Non-Public Arbitrator

Signature Date

September 14, 2001

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Respondent Barron Chase Securities, Inc. is solely liable for:

Member Fees	= \$2,400.00
<u>Less payments</u>	<u>= \$ 800.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,600.00

Respondent Craig Leszczak is solely liable for:

Adjournment Fee	= \$ 600.00
<u>Less payments</u>	<u>= \$ 600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

Respondents Barron Chase Securities, Inc. and Craig Leszczak. are jointly and severally liable for:

Forum Fees	= \$1,200.00
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

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Gordon B. Shneider, Esq.- Public Arbitrator
Daniel J. Weinberger, Esq.- Non-Public Arbitrator

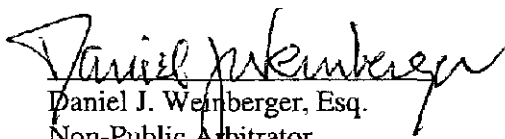
Concurring Arbitrators' Signatures

William H. Levit, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Gordon B. Shneider, Esq.
Public Arbitrator

Signature Date



Daniel J. Weinberger, Esq.
Non-Public Arbitrator

9-10-01

Signature Date

September 14, 2001

Date of Service (For NASD-Dispute Resolution office use only)