

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

John D. Kaufman and John D. Kaufman IRA Rollover, Claimants v. Coleman & Company Securities, Teddy Ishak, Elie Zaccai, Philip C. Puccio, Sr., David Ehud Laska, Michael John Urbinato, and Coleman Holding Corporation, Respondents

Case Number: 01-01426

Hearing Site: San Francisco, California

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**REPRESENTATION OF PARTIES**

For Claimants:

Jeffrey A. Feldman, Esq.  
Law Offices of Jeffrey A. Feldman  
San Francisco, California

For Respondent Teddy Ishak:

Teddy Ishak  
In Propria Persona  
Brooklyn, New York

**CASE INFORMATION**

Statement of Claim filed: March 21, 2001

Claimants' Uniform Submission Agreement signed: April 5, 2001

Joint Statement of Answer filed by Respondents Coleman & Company Securities, Philip C. Puccio, Sr., and David Ehud Laska: June 11, 2001

Statement of Answer filed by Respondent Michael John Urbinato: June 5, 2001

Respondent Coleman & Company Securities' Uniform Submission Agreement signed:  
June 6, 2001

Respondent Teddy Ishak's Uniform Submission Agreement: None Filed

Respondent Elie Zaccai's Uniform Submission Agreement: None Filed

Respondent David Ehud Laska's Uniform Submission Agreement signed: June 6, 2001

Respondent Philip C. Puccio, Sr.'s Uniform Submission Agreement signed: June 5, 2001

Respondent Michael John Urbinato's Uniform Submission Agreement signed: May 27, 2001

Respondent Coleman Holding Corporation's Uniform Submission Agreement: None Filed

### **CASE SUMMARY**

Claimants alleged breach of fiduciary duty, negligent supervision, breach of third-party beneficiary contract, fraud, violation of California Corporations Code §§ 25400 et seq., and intentional infliction of emotional distress, involving various unspecified securities transactions.

Respondents Coleman & Company Securities, Philip C. Puccio, Sr., and David Ehud Laska denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

Respondent Michael John Urbinato denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$805,000.00, unspecified punitive damages, rescission, and costs, including attorney's fees.

Respondents Coleman & Company Securities, Philip C. Puccio, Sr., and David Ehud Laska requested dismissal of the Claimants' Statement of Claim in its entirety and expungement.

Respondent Michael John Urbinato requested dismissal of the Claimants' Statement of Claim in its entirety, and costs.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned Panel determined that Respondent Teddy Ishak was properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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

On June 11, 2001, Respondents Coleman & Company Securities, Philip C. Puccio, Sr., and David Ehud Laska, moved the Panel to dismiss the Statement of Claim. On August 7, 2002, a telephonic pre-hearing conference was held, attended by Claimant, Respondents Coleman & Company Securities, Philip C. Puccio, Sr., and David Ehud Laska, and the Panel. After due deliberation, the Panel ruled as follows:

1. Denied as to the First Cause of Action.
2. Denied as to the Second Cause of Action.
3. Granted as to the Third Cause of Action.

4. Granted as to the Fourth Cause of Action against Puccio and Laska only. Denied as to Coleman & Company Securities, Inc.
5. Denied as to the Fifth Cause of Action.
6. Granted as to the Sixth Cause of Action.

On August 13, 2002, Claimants dismissed Respondent Michael John Urbinato.

On December 6, 2002, Claimants dismissed Respondents Philip C. Puccio, Sr. and David Ehud Laska.

On December 11, 2002, Claimants dismissed Respondents Coleman & Company Securities.

At the hearing, Claimants' counsel informed the Panel that Respondent Elie Zaccai filed bankruptcy. Accordingly, this matter is stayed as to Respondent Zaccai.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Teddy Ishak is liable to and shall pay Claimants the sum of \$490,496.00 in compensatory damages.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$ 375.00

#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Coleman & Company Securities is a party and the following fees are assessed:

Member Surcharge = \$ 2,000.00

Pre-Hearing Process Fee = \$ 600.00

Hearing Process Fee = \$ 3,500.00

**Total Member Fees = \$ 6,100.00**

#### **Adjournment Fees**

The following adjournment fees are assessed:

Joint Request for Adjournment of Hearing Dates scheduled from  
August 28, 2002 to August 30, 2002 = waived

#### **Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with a single Arbitrator @ \$450.00/session= \$ 450.00  
Pre-hearing conferences: June 3, 2002 1 session

Two (2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 2,400.00  
Pre-hearing conferences: January 24, 2002 1 session  
August 7, 2002 1 session

One (1) Hearing session @ \$1,200.00/session = \$ 1,200.00  
Hearing: February 3, 2003 1 session

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**Total Forum Fees = \$ 4,050.00**

The Panel assessed \$4,050.00 of the forum fees to Respondent Teddy Ishak.

**Fee Summary**

1. Claimants are charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Less payments</u>	= \$( 1,575.00)
<b>Refund Due from NASD Dispute Resolution</b>	<b>= \$( 1,200.00)</b>
  
2. Respondent Coleman & Company Securities is charged with the following fees and costs:

Member Fees	= \$ 6,100.00
<u>Less payments</u>	= \$( 6,100.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>
  
3. Respondent Teddy Ishak is charged with the following fees and costs:

Forum Fees	= \$ 4,050.00
<u>Less payments</u>	= \$( 0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 4,050.00</b>

All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Michelle Brant, J.D.	-	Public Arbitrator, Presiding Chair
Yale H. Smulyan, Esq.	-	Public Arbitrator
Richard B. Bullock	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

Michelle Brant  
Michelle Brant, J.D.  
Chair, Public Arbitrator

2-14-03  
Signature Date

Yale H. Smulyan, Esq.  
Public Arbitrator

Signature Date

Richard B. Bullock  
Non-Public Arbitrator

Signature Date

2/18/03  
Date of Service

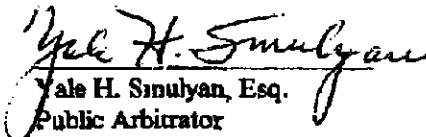
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Michelle Brant, J.D.  
Chair, Public Arbitrator

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Signature Date

  
Yale H. Smulyan, Esq.  
Public Arbitrator

2/15/03  
Signature Date

\_\_\_\_\_  
Richard B. Bullock  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

2/18/03  
Date of Service

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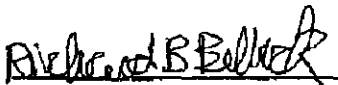
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Richard B. Bullock  
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