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**Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
Maureen Schleisner

Case Number: 04-03258

Name of the Respondents  
Sentra Securities Corporation and  
Stuart Barry Katz

Hearing Site: Milwaukee, Wisconsin

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Nature of the Dispute: Customer vs. Member Firm and Associated Person

**REPRESENTATION OF PARTIES**

Claimant, Maureen Schleisner ("Schleisner"), hereinafter referred to as "Claimant": Brian Guilbeault, Esq. of the law firm Menn Teetaert & Beisenstein, Ltd., located in Kimberly, Wisconsin.

Respondent, Sentra Securities Corporation ("Sentra"), hereinafter referred to as "Respondent Sentra": Martin Q. Ryan, Esq. of the law firm Mora Baugh Waitzman & Unger, located in Chicago, Illinois.

Respondent, Stuart Barry Katz ("Katz"), hereinafter referred to as "Respondent Katz": Stephen L. Morgan and Brittany S. Ogden, Esq. of the law firm Murphy Desmond, located in Madison, Wisconsin.

**CASE INFORMATION**

Statement of Claim filed on April 27, 2004. Claimant Schleisner signed the Uniform Submission Agreement on March 16, 2004. Claimant filed a response to Sentra's Motion for Dismissal on August 23, 2004.

Combined Statement of Answer and Motion to Dismiss filed by Respondent Sentra on June 25, 2004. Sentra signed the Uniform Submission Agreement on June 25, 2004.

Statement of Answer filed by Respondent Katz on May 10, 2005. Katz signed the Uniform Submission Agreement on June 10, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: negligence and unauthorized trading. The causes of action relate to shares in Sogen Global stock. Claimant asserted that Katz was not authorized to sell her shares in Sogen Global stock. If the unauthorized sale had not occurred,

Claimant would have a total of 6,860.4798 shares.

Unless specifically admitted in its Answer, Respondent Katz denied the allegations made in the Statement of Claim and asserted the following affirmative defenses: (1) Claimant executed appropriate documents reflecting her knowledge of the trades; (2) Claimant ratified the transactions due to the passage of time and the signing of documents and waived her rights to pursue this action; and (3) Claimant further took no affirmative or reasonable action to promptly seek the return of her accounts and failed to exercise reasonable care.

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

1. The Statement of Claim fails to state a claim upon which relief can be granted against Respondent.
2. Claimant authorized each and every transaction and investment and was advised, knew, understood and voluntarily assumed the risks of her investments, portfolio allocation and investment strategy. Claimant had prior investment experience, controlled her account and is estopped or otherwise barred from recovering against Respondent.
3. Claimant approved, accepted and/or ratified all investments in her accounts and therefore, Claimant is estopped or otherwise barred from recovering against Respondent.
4. Claimant's claims are barred by all applicable statutes of limitations and/or repose.
5. Respondent established, implemented and maintained a reasonable system of supervisory guidelines, acted in good faith and in accordance with industry rules, regulations and standards and committed no act, error or omission which caused any investment or other losses by Claimant.
6. Claimant maintained control over her investments and authorized, accepted and/or ratified each transaction in her accounts. At all relevant times, Claimant had sufficient opportunity to independently research each and every security prior to any sale or purchase. To the extent that Claimant incurred any investment loss, Claimant's loss was proximately caused, in whole or in part, by Claimant's own actions, inactions and/or negligence.
7. During the period that Claimant maintained the investment at issue, the securities market precipitously declined and Claimant's loss, if any, was caused or partially caused by unforeseeable and unanticipated market conditions and global circumstances. Claimant assumed the risks associated with these market conditions and is barred from recovering against Respondent.
8. Claimant's loss, if any, was proximately caused or partially caused by the acts, errors, or omission of third parties not under the control of Respondent or other individuals or entities.
9. Claimant failed to mitigate her purported loss and/or damage, if any.
10. Respondent discharged its responsibilities in good faith and in a professional and ethical manner. The handling of Claimant's accounts was within the scope and parameters of accepted procedure and all applicable self-regulatory, exchange and governmental regulations. Respondent acted reasonably and in good faith and did not induce any act constituting a violation of law causing damage to Claimant; therefore, Claimant is barred from recovery against Respondent.
11. Respondent owed no fiduciary duty to Claimant as a matter of law.

12. The rules of the New York Stock Exchange and the National Association of Securities Dealers, including the suitability rule, do not provide for a private right of action and alleged violations of regulatory rules do not give rise to any cause of action for damages. Therefore, Claimants may neither maintain a claim against Respondent arising from any purported violation of the rules of self-regulatory organizations nor recover from Respondent under any such theory or cause of action.
13. Claimant's claims are barred by the doctrines of unclean hands and *in part delicto*.
14. Claimant's claims are barred from by the doctrines of laches.
15. There is no basis for any award of attorney's fees absent a contractual or statutory grant of such fees.
16. Claimant did not justifiably rely to their detriment on any action or inaction of Sentra or any misrepresentation or omission legally attributable to Sentra.
17. There is no factual or legal basis for an award of punitive damages against Respondent and any award of punitive damages violates due process and is constitutionally infirm.
18. Any purported loss was not caused by any action or inaction on the part of Sentra.
19. The tort based claims are barred by the economic loss doctrine.

#### **RELIEF REQUESTED**

Claimant requested \$67,651.62 in compensatory damages.

Respondent Sentra requested that the Statement of Claim be denied and dismissed in its entirety and that all forum fees, costs and filing fees incurred herein be assessed against Claimant, together with such other and further relief as is just, proper and equitable.

Respondent Katz requested that this claim be dismissed in its entirety; that all costs and assessments to be paid by Claimant; and for such other and further relief as may be just and equitable.

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

In an Order dated October 22, 2004, the Panel denied Respondent Sentra Securities Corporation's Motion for dismissal, but allowed Sentra to move for judgment as a matter of law upon conclusion of Claimant's presentation of her case at the hearing.

On December 8, 2004, Claimant dismissed Sentra Securities Corporation from this matter, and the Panel's Scheduling Order of May 5, 2005 further notes that Sentra is dismissed. At the request of counsel for Sentra, dismissal was confirmed by a Stipulation and Order of Dismissal dated July 18, 2005.

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

1. Any and all claims asserted by Claimant, Maureen Schleisner, are denied.
2. Except as otherwise specified herein, parties shall bear their own costs, including attorneys' fees.
3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:  
Initial claim filing fee = \$ 225.00

#### **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 events giving rise to the dispute. Accordingly, Sentra Securities Corporation is a party to this proceeding.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,700.00

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

The Panel has assessed forum fees for each session conducted. A 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 full Panel @ \$750.00	= \$ 750.00
Pre-hearing conference: May 5, 2005 1 session	

Two (2) Hearing sessions @ \$750.00	= \$1,500.00
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Hearing Date: October 11, 2005 2 sessions	
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Total Forum Fees	= \$2,250.00
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1. The Panel assessed 50% of the total forum fees in the amount of \$1,125.00 solely to Claimant, Maureen Schleisner.
2. The Panel assessed 50% of the total forum fees in the amount of \$1,125.00 solely to Respondent, Stuart Barry Katz.

**FEF SUMMARY**

1. Claimant, Maureen Schleisner, is solely liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$1,125.00
Total Fees	= \$1,350.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$ 375.00

2. Respondent, Sentra Securities Corporation, is solely liable for:

Member Fees	= \$3,550.00
Less payments	= \$1,850.00
Balance Due NASD Dispute Resolution	= \$1,700.00

3. Respondent, Stuart Barry Katz, is solely liable for:

Forum fees	= \$1,125.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,125.00

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

**ARBITRATION PANEL**

Herbert S. Channick, Esq.	-	Public Arbitrator, Presiding Chairperson
Kevin J. Demet, J.D.	-	Public Arbitrator
Frank E. Harvey	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/ Herbert S. Channick, Esq.  
Herbert S. Channick, Esq.  
Public Arbitrator, Presiding Chairperson

10/19/05  
Signature Date

/s/ Kevin J. Demet, J.D.  
Kevin J. Demet, J.D.  
Public Arbitrator

10/19/05  
Signature Date

/s/ Frank E. Harvey  
Frank E. Harvey  
Non-Public Arbitrator

10/19/05  
Signature Date

10/20/05  
Date of Service (For NASD Dispute Resolution office use only)

## FREE SUMMARY

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

NASD Dispute Resolution  
Arbitration No. 04-03258  
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Frank E. Harvey	-	Non-Public Arbitrator

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 Hebert S. Channick, Esq.  
 Public Arbitrator, Presiding Chairperson

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 Signature Date

\_\_\_\_\_  
 Kevin J. Demet, J.D.  
 Public Arbitrator

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

  
 Frank E. Harvey  
 Non-Public Arbitrator

10/19/05  
 Signature Date

