

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In The Matter of The Arbitration Between

C. Michael Madsen

Claimant

Award

vs.

NASD #88-00927

Sentra Securities Corp.

Respondent/
Third-Party
Claimant

vs.

Joseph Misiuda

Third-Party
Respondent

SUMMARY OF ISSUES

This case was filed March 22, 1988. Claimant alleged damages for unauthorized transactions and violation of Section Seven, Regulation T of the Securities Exchange Act of 1934 (hereon, "the Act"). He also claimed damages for the certificate of the security Keystone Precious Metals Holdings, Inc. (hereon, KPMHI) being registered in his name rather than street name.

Respondent Sentra Securities (Sentra) denied specifically all of Claimant's allegations and claimed no private right of action for violation of Section Seven Regulation T of the Act. Sentra filed a Third Party Claim against Joseph Misiuda for acting outside the scope of his employment and requesting damages from him for any liability to Claimant Madsen. Third-Party Respondent Misiuda denied Sentra's claims alleging that he had acted in accordance with Sentra's instructions.

DAMAGES AND RELIEF REQUESTED

Claimant Madsen requested the sum of \$24,586.65 for all of his claims as described above, attorney's fees of \$2,000.00 and his filing fee of \$400.00.

Sentra, as Third-Party Claimant requested indemnification from Third-Party Respondent Misiuda, for any amounts it was found liable to Claimant Madsen.

DAMAGES AND RELIEF AWARDED

Seattle, WA
On June 7, 1989 in ~~Portland, Oregon~~, the undersigned arbitrators heard the controversy in two sessions; between the parties as set forth in submissions to arbitration signed by Claimant on March 15, 1988 and by Respondent(s) Sentra Securities on June 2, 1988 and Third Party Respondent, Joseph Misiuda on June 1, 1989. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Sentra is liable for and shall pay to Claimant the sum of \$24,586.65 in damages as a result of unauthorized transactions.
2. Third-Party Respondent Joseph Misiuda is liable for and shall pay to Third-Party Claimant Sentra, the sum of \$12,793.33 in damages as a result of actions outside of the scope of his employment with Sentra.
3. The parties shall each bear their respective costs including attorneys' fees.
4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant.
5. In accordance with Section 43 of the NASD Code of Arbitration Procedure, Respondent Sentra and Third-Party Respondent Misiuda are jointly and severally assessed forum fees of \$800.00 payable to the NASD.

ARBITRATORS CONCURRING

DATE SERVED: 06/11/89

Mary C. Eklund
Ms. Mary C. Eklund

Mr. William L. Hawes

Ms. Maura J. Malone