

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of Arbitration Between

ELIAS I. FRANCES and NIEN-HWA
LINDA WANG

Claimants

v.

ELIYAHUE M. ROUSSOS and EMR ENTERPRISES
Respondents

NASD NO. 88-02685

CASE SUMMARY

In a claim filed on or about August 23, 1988, the Claimants alleged that the Respondents 1) made unauthorized transactions, 2) induced a stock purchase by guaranteeing the sales price and 3) induced the purchase of unregistered stock by promising that the company would go public and by further promising to personally buy back the stock at the profit if the company did not go public; all of which resulted in losses to their account.

The Respondents did not file an answer;

RELIEF REQUESTED

The Claimant' sought the recovery of \$9,270.29 plus 10% interest on the unauthorized transaction; \$1,675.00 plus 10% interest on the stock price guarantee and \$10,000.00 plus 10 % interest on the purchase of unregistered stock. In addition, the Claimant's sought a return of their filing fee and reimbursement for \$100.00 in expenses.

AWARD

On November 2, 1989 in Indianapolis, Indiana, during a hearing lasting one session, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on August 19, 1988 by the Claimants. The Respondents did not answer and did not attend the hearing. We found that the Respondents were notified at their address of record per the Central Registration Depository Records and were therefore given notice of the hearing pursuant to the Sections 21 and 26 of the Code of Arbitration Procedure. We determined that the hearing should proceed according to Section 29 of the Code and that the Respondents are bound by this decision.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The losses suffered by the Claimant's were the result of Federal and State Securities fraud, intentional conversion and common law fraud on the part of the Respondents;

2. Respondents Eliyahue M. Roussos and EMR Enterprises are hereby jointly and severally liable for and shall pay the following amounts:

- A. For the unauthorized trading, Nine-Thousand Two Hundred Seventy Dollars and Twenty-nine Cents (\$9,270.29) plus interest at the statutory rate of 8% from September 16, 1986 until the date of the Award;
- B. For the stock price guarantee, One Thousand Six Hundred Seventy-five Dollars (\$1,675.00) plus interest at the statutory rate of 8% from August 4, 1987 until the date of the award;
- C. For the purchase of unregistered stock, Ten Thousand Dollars (\$10,000.00) plus interest at the statutory rate of 8% from December 11, 1985 until the date of the award; (the panel acknowledges the Claimants' offer at the hearing, to tender their 20,000 shares of Electronic Financial Systems (Electronic Financial Systems House, Inc.); and
- D. For reimbursement of expenses, One Hundred Dollars (\$100.00);

3. Pursuant to Section 43 of the Code of Arbitration Procedure, the Respondents shall be jointly and severally assessed \$400.00 in forum fees, which amount shall be paid directly to the Claimants in addition to the amounts specified in paragraph 2 above.

BY THE PANEL

S/SKeith Shake, Esq. _____
Presiding Chair

S/SMichael P. Bishop, Esq. _____

S/SMr. Robert G. White _____