

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Roxie French)	
)	
Claimant)	
vs.)	AWARD
)	
Norman Kaufman and)	NASD #89-00214
Professional Brokerage)	
Services, Inc.)	
Respondents)	

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on January 24, 1989. Claimant alleged that Respondents recommended and transacted unsuitable investments including options transactions, engaged in the unauthorized sale of securities, misled Claimant and failed to disclose the risk of margin accounts, and churned Claimant's account for the purpose of generating commissions.

Respondent Professional Brokerage Services, Inc. did not file a Statement of Answer nor appear at the hearing.

Respondent Norman Kaufman did not file a Statement of Answer nor appear at the hearing. Respondent Kaufman filed an Arbitration Brief which was received by the Arbitrators at the hearing without objection from Claimant. In the Arbitration Brief Respondent Kaufman denied the substantive allegations.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages in the amount of \$64,237.57 on all claims alleged.

DAMAGES AND RELIEF AWARDED

On December 20, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on January 19, 1989. Respondent Norman Kaufman did not file an executed submission agreement but is subject to the jurisdiction of this arbitration pursuant to Sections 1 and 12 of the NASD Code of Arbitration Procedure and the Customer Agreement entered into between the parties on February 17, 1987. In addition Respondent Kaufman submitted an Arbitration Brief and documentary exhibits which were received into evidence by the arbitrators at the hearing. The hearing was

conducted in Seattle, Washington and lasted one (1) session. 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 as follows:

1. Respondent Norman Kaufman is hereby liable for and shall pay to Claimant the sum of Forty-Five Thousand Dollars and Zero Cents (\$45,000.00) in compensatory damages.
2. There being no evidence in the record maintained by the NASD that the original Statement of Claim was properly served on Respondent Professional Brokerage Services, the allegations are dismissed without prejudice and may be refiled within the applicable statute of limitations.
3. The parties shall each bear their respective costs including attorneys fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure:
 - a) The NASD shall retain the \$500.00 filing fee previously deposited by the Claimant; and
 - b) Respondent Kaufman is assessed the sum of \$500 representing the filing fee and shall reimburse Claimant directly.

PROCEDURAL SUMMARY

On April 19, 1990 First Notices were sent to the parties advising them that the arbitration hearing was scheduled for August 14, 1990; a Final Notice dated July 23, 1990 was subsequently sent to the parties confirming the scheduled hearing date, disclosing the appointment of the arbitrators and their biographies, and identifying the hearing location. Respondent Kaufman's request for a continuance was granted by the Arbitrators on August 13, 1990. By Notices dated October 15, 1990, the arbitration hearing was rescheduled for December 20, 1990; a Final Notice was sent to the parties on December 6, 1990 once again confirming the hearing date and location and disclosing the appointment of the arbitrators and their biographies. Respondent Kaufman exercised a peremptory challenge against an arbitrator on December 17, 1990 and a replacement Notice and updated Final Notice was sent to the parties on December 18, 1990.

OTHER ISSUES

On December 12, 1990 Respondent Kaufman filed a request to participate in the arbitration hearing by telephone. The request was denied by the Panel on December 13, 1990. On December 14, 1990 Respondent Kaufman filed a request for reconsideration to allow him to participate in the arbitration hearing by telephone. This request was denied by the Panel on December 19, 1990.

As a result of impossible travel conditions in some parts of Washington following a severe storm, Arbitrator Larry W. Sisson was unable to appear at the arbitration hearing. Claimant stipulated to a decision rendered by the two remaining arbitrators.

ARBITRATORS CONCURRING

DATE SERVED: 2/8/91

David G. Skeen

Elwood C. Avery

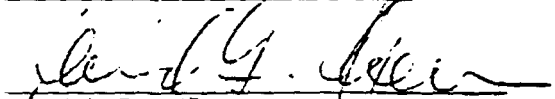
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