

~~NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.~~

:	In the Matter of the Arbitration Between	:
:		:
:	Esmat H. Mahmoud	:
:		:
:	Claimant	:
:		:
:	vs.	:
:		:
:	Equitable Securities of New York	:
:	Richard Schaefer	:
:		:
:	Respondents	:
:		:
:		:
:		:

CASE #89-00257

AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 27, 1989, Claimant Esmat H. Mahmoud alleged Respondent Richard Schaefer made misrepresentations to her that the stock of Compass Distributing, Inc. would be trading on NASDAQ and failed to timely follow her instructions to execute trades. Claimant further alleged that Respondents Equitable Securities of New York and Richard Schaefer subjected her to fraudulent dealings causing her to incur a substantial loss of money Respondent Equitable Securities of New York maintained it used its best efforts to insure that Compass Distributing, Inc. qualified for NASDAQ listing and that according to current market conditions the Claimant has not suffered a loss. Respondent Richard Schaefer maintained he never made any misrepresentations to the Claimant and never informed her of the price the stock may reach and Respondent Richard Schaefer further maintained he relied on information given to him by Respondent Equitable Securities of New York.

RELIEF REQUESTED

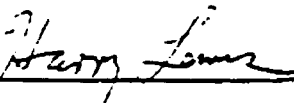
Claimant requested damages of \$10,000.00, plus all expenses incurred. Respondent Equitable Securities of New York requested dismissal of claim against it. Respondent Richard Schaefer requested dismissal of claim against him.

AWARD

On January 11, 1990 the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Esmat H. Mahmoud on May 12, 1989 and by Respondent Richard Schaefer on September 21, 1989, and signed by Respondent Equitable Securities of New York on December 13, 1989. The hearing was held at the offices of the National Association of Securities Dealers, Inc. located in New York City, NY and ~~consisted of two (2) hearing sessions~~. The arbitrator, 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. The Respondent Equitable Securities of New York be and hereby is liable and shall pay to the Claimant Esmat H. Mahmoud the sum of Six Hundred Dollars and No Cents (\$600.00) without interest.
2. The claim against Respondent Richard Schaefer be and hereby is dismissed in all respects.
3. The parties shall each bear their respective costs including attorney's fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedures, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant. In addition, the Respondent Equitable Securities of New York be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of \$400.00 to represent forum fees.

ARBITRATOR CONCURRING



Harry Lewis, Esq.

DATED: January , 1990