

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between )  
ANN M. DONALDSON )  
 )  
 ) Claimant )  
 ) and )  
 )  
ALEXANDER NAZARENKO AND )  
EQUITY SECURITIES TRADING CO., INC. )  
 )  
 ) Respondents )  
\_\_\_\_\_ )

CASE NO. 89-00649

CASE SUMMARY

Ann M. Donaldson ("Claimant") alleged that Alexander Nazarenko a registered representative of Equity Securities Trading Co., Inc. (Nazarenko and Equity Securities are collectively referred to herein as "Respondents") recommended the purchase of Danker Laboratories and Magnetic Technologies to the Claimant and these securities were unsuitable for the Claimant given the Claimants financial condition, objectives, and sophistication. Claimant also alleged that Nazarenko failed to explain the risks of these transactions.

Respondents denied the claims and alleged that the Claimant was informed of the risks of the trades, assumed those risks, and was suitable for the transactions.

RELIEF REQUESTED

Claimant requested damages in the approximate amount of \$250,000 plus interest, punitive damages, attorneys fees, and costs.

Respondents requested that the claims be dismissed.

AWARD

On March 3, 1989 the NASD received the Claimants' Statement of Claim. On April 3 and 4, 1990 in Minneapolis, Minnesota during a hearing lasting five sessions, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to arbitration signed on February 6, 1989 by the Claimant Ann M. Donaldson, on May 3, 1989 by Nathan Newman on behalf of the Respondent Equity Securities Trading Co., Inc. Alexander Nazarenko affirmed on the record at the hearing that he was submitting this matter to arbitration pursuant to the rules, regulations and by-laws of the NASD and to the jurisdiction of the NASD.

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. Alexander Nazarenko and Equity Securities Trading Co., Inc. shall be jointly and severally liable for and shall pay to Ann M. Donaldson Seventy Two Thousand Dollars and no cents (\$72,000.00);
2. The parties shall bear their own costs including attorneys' fees;
3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimant and the Claimant shall pay an additional \$750.00 in forum fees' and the Respondents shall be jointly and severally liable for and shall pay to the NASD \$1,500.00.

Dated: May 1, 1990 /S/

By the Panel

Douglas D. McFarland  
Douglas D. McFarland, Esq.  
Presiding Chair

Dated: \_\_\_\_\_ /S/

Roger George Lindquist

Dated: \_\_\_\_\_ /S/

Emily B. Boote

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By the Panel

Dated: \_\_\_\_\_ /S/

\_\_\_\_\_  
Douglas D. McFarland, Esq.  
Presiding Chair

Dated: April 30, 1990 /S/

\_\_\_\_\_  
Roger George Lindquist

Dated: \_\_\_\_\_ /S/

\_\_\_\_\_  
Emily B. Boote

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By the Panel

Dated: \_\_\_\_\_

/S/

\_\_\_\_\_  
Douglas D. McFarland, Esq.  
Presiding Chair

Dated: \_\_\_\_\_

/S/

\_\_\_\_\_  
Roger George Lindquist

Dated: May 1, 1990

/S/

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*Emily B. Boote*  
Emily B. Boote

