

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Norman Schupack

Claimant

Case #89-01086
AWARD

vs.

Jack Eaker

Anthony Stoisch

Respondents

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 10, 1989, Claimant Norman Schupack alleged the Respondents churned his account to generate commissions, executed unauthorized trades, and furnished him with false or misleading information. Respondent Jack Eaker maintained there was no excessive trading in the Claimant's account and all transactions were authorized. Respondent Jack Eaker further maintained the Claimant, through his conduct, approved, authorized and ratified the acts and transactions about which he now complains. Respondent Anthony Stoisch maintained he was only named as a party because he was an Officer of Investors Center and that is not a legally permissible reason to name a person in an action since corporate officers are not liable for corporate fraud or misrepresentation. Respondent Anthony Stoisch further maintained the claim reveals a total absence of any meaningful allegation as to him. In response, the Claimant maintained there is a Securities Exchange Commission/National Association of Securities Dealers, Inc. investigation in process to determine if the Investors Center was engaged in illegal business activities perpetrated by Anthony Stoisch and other executives and brokers.

RELIEF REQUESTED

Claimant requested damages of \$18,836.35 plus punitive damages, Respondent Jack Eaker requested dismissal of claim and that costs be assessed against the Claimant. Respondent Anthony Stoisch requested dismissal of claim and that costs and counsel fees be awarded to him.

AWARD

On August 2, 1990 the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Norman Schupack on April 5, 1989 and by Respondent Jack Eaker on August 5, 1989 and not signed by Respondent Anthony Stoisch as required pursuant to Section 8 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure. The hearing was conducted in Baltimore, MD 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. In accordance with Section 25 of the Code of Arbitration Procedure the Respondent Anthony Stoisch was served with the Statement of Claim and given an opportunity to respond which he did.
2. In accordance with Section 21 and Section 26 of the Code of Arbitration Procedure, the Respondent Anthony Stoisch was given due notice of the hearing procedure by regular and certified mail and failed to appear at the hearing.
3. In accordance with Section 29 of the Code of Arbitration Procedure, the arbitrator determined in light of the foregoing information to proceed with the hearing as scheduled.
4. The motion to dismiss by Respondent Anthony Stoisch be and hereby is dismissed in all respects.

5. The Respondents Jack Eaker and Anthony Stoisch be and hereby are liable jointly and severally and shall pay to the Claimant Norman Schupack the sum of Eighteen Thousand Five Hundred Dollars And No Cents (\$18,500.00).
6. The Claimant's claim for punitive damages be and hereby is dismissed in all respects.
7. The parties shall each bear their respective costs, including attorneys' fees.
8. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant. In addition the Respondents Jack Eaker and Anthony Stoisch be and hereby are liable jointly and severally and shall pay to the National Association of Securities Dealers, Inc. the sum of \$400.00 to represent forum fees.

ARBITRATOR CONCURRING

/s/ _____
William H. Malloy

DATED: August 22, 1990