

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

JOSEPH HOBEIKA :
 :
 :
 CLAIMANT :
 V. : ANARD :
 : #89-02821 :
 OPPENHEIMER & CO., INC. AND :
 ARA MOMJIAN :
 :
 :

CASE SUMMARY

The Statement of Claim was filed on October 12, 1989.

Claimant, Joseph Hobeika, alleged that he was a totally unsophisticated investor when he opened a discretionary options account with Respondents, Oppenheimer & Co., Inc. and Ara Momjian. Claimant alleged that Respondents engaged in a pattern of unscrupulous conduct in the handling of his account which included churning and unauthorized trading and that Respondents violated various statutes and regulations governing the conduct of broker-dealers which included breach of fiduciary duty and negligence which resulted in substantial losses in Claimant's account.

Respondents, Oppenheimer & Co., Inc. and Ara Momjian, denied all allegations of wrong doing and maintained that contrary to Claimant's request for relief, Claimant only lost a total of \$15,100.00 while his account was with Respondents, that the Claim is baseless since Claimant was made aware of the risks inherent with options trading at the time of opening his account, that all trades were suitable, that Claimant desired to speculate, that Respondents did not churn or mishandle Claimant's account. Respondents further denied that Claimant's account was discretionary.

RELIEF REQUESTED

Claimant requested an award in the amount of \$20,839.14 jointly and severally against Respondents.

Respondents requested dismissal of the Claim

AWARD-#89-02821

AWARD

On October 30 and 31, 1990 the undersigned arbitrators heard the controversy between the Parties as set forth in submissions to arbitration signed by the Claimant, Joseph Hobeika, on October 2nd, 1989, by Respondent, Oppenheimer & Co., Inc., on December 1989 and by Respondent, Ara Momjian on January 19, 1990. The hearing was held in New York City, NY and consisted of four (4) sessions. 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 for determination as follows:

1. The Claims of the Claimant, Joseph Hobeika against the Respondents, Oppenheimer & Co., Inc. and Ara Momjian, shall be and hereby are dismissed in all respects;
2. The Parties shall each bear their respective costs, including attorneys' fees;
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the NASD, Inc., shall retain the \$750.00 filing fee previously deposited by Claimant;
4. Respondent, Oppenheimer & Co., Inc., is assessed forum fees in the amount of \$2,250.00 payable to the NASD, Inc. through its staff administrator in accordance with Section 43 of the Code of Arbitration Procedure.

ARBITRATORS CONCURRING

/s/

Henry H. Balter
(Public-Chairman)

/s/

Jerome Goodgal
(Public-Panelist)

/s/

James H. Conley
(Industry-Panelist)

Dated by the NASD-11/30/90