

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Timothy Sapyta

Claimant(s)

vs.

Allied Capital Group

vs.

Brian Polan and Linda Gears

Respondent(s)

NOTICE OF
ARBITRATION
AWARD

89-02936

CASE SUMMARY

Claimant(s) Timothy Sapyta alleged that Respondent(s) Allied Capital Group made material misrepresentations to induce Claimant to purchase securities issued by fraudulent companies. Respondent denied all allegations made by Claimant and maintained that Claimant seeks reimbursement for losses sustained as a result of trading authorized by Claimant. Respondent Allied Capital Group entered a third party complaint against Respondents Polan and Gears for any liability arising from this proceeding. Respondent Polan maintained that Claimant initiated and approved all trading activity, although Claimant may have acted on recommendations issued by Allied Capital Group. Respondent Gears did not respond.

RELIEF REQUESTED

Claimant(s) Timothy Sapyta requested damages of Four Thousand Five Hundred Five Dollars and No Cents (\$4,505.00). Respondent(s) requested dismissal of claim and costs.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure ("Simplified Arbitration") a single arbitrator, George R. Freund, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant(s) on October 17, 1989 and by Respondent(s) on Allied Capital Group on November 30, 1989, and not by the Respondents Polan and Gears as required by Section 12(a) of the NASD, Inc. Code of Arbitration Procedure, respectively;

And, that the Arbitrator, having considered the proofs of the Parties, including any additional documentary submissions of the Claimant(s) and the Respondent(s) has decided and determined in full and final resolution of the issue submitted for determination as follows:

That the Respondent Allied Capital Group is liable and shall pay to the Claimant the sum of Two Thousand Eight Hundred Sixty Four Dollars and No Cents (\$2,864.00), and;

That the third party claim of the Respondent Allied Capital Group against Respondent Polan is hereby dismissed in all respects, and;

That the third party claim of the Respondent Allied Capital Group against Respondent Gears is hereby dismissed without prejudice.

The parties shall each bear their respective costs including attorney's fees.

The \$100.00 filing fee previously deposited with the NASD, Inc. by the Claimant(s) shall be refunded to the Claimant by the Respondent Allied Capital Group.

May 21, 1990