

## NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration between :

Yung Mou Chen :

Claimant :

CASE #90-00723

vs :

AWARD

Cheng-Hai Saw :

Madison Chapin Associates, Inc. :

Mark Bolender :

Respondents :  
-----CASE SUMMARY

Pro Se Claimant, Yung Mou Chen, in a claim filed with the National Association of Securities Dealers, Inc. on March 9, 1990, alleged that his broker at Madison Chapin Associates, Inc., Cheng-hai Saw, recklessly managed and churned his account by repeatedly executing unauthorized option trades which resulted in losses and a margin debit in the account. These trades involved numerous securities such as IBM, AT&T, Beamalloy Corp. and Celestial Ventures. Mark Bolender was the Executive VP of Madison Chapin Associates, Inc.

Respondent, Cheng-hai Saw, Pro Se, maintained that all the IBM options as well as all other trades before and after were executed with Claimant's consent and followed by confirmations and monthly statements. He continues that the commissions charged on those transactions in dispute were at the minimum, if not below, those of a regular brokerage house.

Respondent Mark Bolender, Pro Se, maintained that the Claimant was a sophisticated investor who made his own investing decisions, that the Claimant received confirmations of all purchases and sales on all transactions, and that it was the option principal who was responsible for supervising the broker involved. Respondent Madison Chapin Associates did not file a Statement of Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant requests Nine Thousand Nine Hundred Ninety-Nine Dollars (\$9,999) in damages.

Respondent Mark Bolender requested that he be dismissed from a statement of claim and denied all of the claimant's allegations.

Respondent Cheng Hai Saw requested that the claims of the claimants be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Sheldon M. Finkelstein, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant Yung Mou Chen on March 7, 1990, by the respondent Cheng Hai Saw on August 16, 1990, and not signed by respondent Mark Bolender as required by Section 13 of the NASD Code of Arbitration Procedure. Respondent Madison Chapin Associates did not file a submission agreement or statement of answer as required by Sections 12 and 13 of the Code of Arbitration Procedure, despite service of the statement of claim being effected upon them in letters from the NASD dated July 13, 1990 and July 13, 1991.

And, that the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the claimant Yung Mou Chen against respondents Cheng Hai Saw, Madison Chapin Associates and Mark Bolender, be and hereby are, dismissed in their entirety. Facts presented by parties indicate that the claimant signed the option agreement, received confirmations and monthly statements regarding trades in dispute, did not complain in a timely manner, and by his conduct is deemed to have ratified the trades and apparently followed his broker to his new firm - something which is inconsistent with his claims.
2. The parties shall bear their respective costs.
3. The \$200.00 filing fee previously deposited with the NASD, by the claimant, shall be retained by the NASD.

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AFFIRMATION

I, SHELDON M. FINKELSTEIN, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
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Signature of Arbitrator

DATED: 4/1/92

DATED BY THE NASD, INC.: April 14, 1992