

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Lois & Jerome Solomon

Name of Respondent(s)

M.H. Novick & Company, Inc.  
Michael H. Novick

90-00733

REPRESENTATION

Claimants Lois & Jerome Solomon were represented by Reid R. Lindquist, Esq. of Lommen, Nelson, Cole & Stageberg, P.A., Minneapolis, Minnesota.

Respondents did not reply to the Statement of Claim.

CASE INFORMATION

Statement of Claim filed: March 11, 1990

Claimants Lois & Jerome Solomon's Submission Agreement signed: March 15, 1990

Respondents M. H. Novick & Company, Inc. and Michael H. Novick did not file with the NASD a properly executed submission to arbitration, but are required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure and are bound by the arbitration panel on all issues submitted.

HEARING INFORMATION

Hearing Date/Sessions: July 17, 1991 for one (1) session

Hearing Location: Minneapolis, Minnesota

CASE SUMMARY

Claimants Lois and Jerome Solomon alleged that Respondent Michael H. Novick

("Novick"), without the Claimant's knowledge or consent engaged in the unauthorized purchase of shares of Network Systems Corp.'s stock. In addition, Claimants alleged that Novick, without Claimant's knowledge or consent, made several unauthorized, unsolicited purchases of Standard & Poor Index Options. Based upon the above allegations, Claimants asserted violations of Minn. Stat. 90A.01, et seq.

Respondents M.H. Novick & Company, Inc. and Michael H. Novick did not file a Statement of Answer with the NASD or appear at hearing. Prior to hearing, the NASD Arbitration staff received notification that M.H. Novick & Company, Inc. had filed for protection under the U.S. bankruptcy laws and arbitration was stayed as to that Respondent. Upon review of the record and after hearing the representations of Claimants, the arbitrators determined that Respondent Michael H. Novick had been properly served with the Statement of Claim and due notice of the hearing. Therefore, the arbitrators determined that arbitration of the controversy would proceed pursuant to Section 29 of the Code of Arbitration Procedure.

#### RELIEF REQUESTED

Claimants Lois and Jerome Solomon requested entry of an award against Respondent in the sum of \$200,742.83 plus interest, attorneys' fees and costs.

#### AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The parties present have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties present have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.
2. Respondent Michael H. Novick is liable for and shall pay to Claimants Lois and Jerome Solomon the sum of \$111,350.29. The sum includes interest;
3. Parties shall bear their own costs of arbitration, including attorneys' fees, except for those specifically enumerated herein.

#### FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

The National Association of Securities Dealers, Inc. shall retain the claim filing fee of \$250.00 and refund the hearing session deposit of \$500.00 previously deposited with the NASD by the Claimants Lois and Jerome Solomon.

Respondent Michael H. Novick is liable for and shall pay to the NASD forum fees in the amount of \$750.00.

Fees are payable to the National Association of Securities Dealers, Inc.

BY THE ARBITRATION PANEL

DATED:

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

Sharon K. Ines  
Sharon K. Ines  
Public Arbitrator

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8/12/91

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William A. McMahon  
Industry Arbitrator

90-733

Respondent Michael H. Novick is liable for and shall pay to the NASD forum fees in the amount of \$750.00.

Fees are payable to the National Association of Securities Dealers, Inc.

BY THE ARBITRATION PANEL

DATED:



Douglas D. McFarland, Esq.  
Presiding Chair  
Public Arbitrator

August 12, 1991

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90-733

Respondent Michael H. Novick is liable for and shall pay to the NASD forum fees in the amount of \$750.00.


Fees are payable to the National Association of Securities Dealers, Inc.

BY THE ARBITRATION PANEL

DATED:

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

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Sharon K. Innes  
Public Arbitrator

  
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William A. McMahon  
Industry Arbitrator

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8/8/91