

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Shirley Blankenship

90-02320

Name of Respondent

Brad Katz

REPRESENTATION

Claimant appeared pro se.

Respondent did not appear.

CASE INFORMATION

Statement of Claim filed: August 21, 1990. Amended Statement of Claim filed July 16, 1991.

Claimant's Submission Agreement signed on July 11, 1990.

Respondent did not answer or file a Submission Agreement.

HEARING INFORMATION

The hearing was held on Wednesday, December 11, 1991 in Chicago, Illinois lasting one (1) session.

CASE SUMMARY

Claimant, Shirley Blankenship, alleged that Brad Katz made material misrepresentations, disregarded her directives and was negligent in handling her account. Claimant specifically alleged that Katz failed to have her fill out a fact sheet, urged her to invest in penny stocks, invested in stocks in opposition to her directives, gave her false information in order to induce her to invest in stocks, engaged in unauthorized transactions, and failed to report a bounced check for a two month period.

Respondent did not file an Answer to the claims asserted against him.

RELIEF REQUESTED

Claimant requested an award in the amount of \$35,240.00 in compensatory damages and \$250,000.00 in punitive damages.

OTHER ISSUES CONSIDERED & DECIDED

The panel has determined that they had jurisdiction over Brad Katz under Section 29 of the NASD Code of Arbitration Procedure.

One of the arbitrators selected to hear this matter was unavailable due to an emergency. Claimant stated on the record that she had no objection to proceeding with the remaining two arbitrators pursuant to Section 24 of the NASD Code of Arbitration Procedure.

AWARD

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

1. Respondent Brad Katz shall be and hereby is liable for and shall pay to the Claimant the sum of \$17,848.00 as compensatory damages.
2. Respondent Brad Katz shall be and hereby is liable for and shall pay to the Claimant the sum of \$35,696.00 as punitive damages. In making this award of punitive damages, the arbitration panel has considered the law of the State of Illinois and the caselaw.
3. Each party shall bear its own costs and expenses incurred in this matter not specifically enumerated herein.

FORUM FEES

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

Brad Katz shall pay to the NASD the sum of \$750.00 as forum fees. Forum fees are calculated at the rate of one hearing session at \$750.00.

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

Arbitrator's Signature

Name

Public/Industry


James E. Stark, Esq.

Industry


Anne J. Crane, Esq.

Public

Date of Decision: December 11, 1991.