

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Morton Michelson

Name of Respondent(s)

G.K. Scott & Co. Inc.

Case No. 90-02743

Heard before the Arbitrator:

Patricia A. Shub, Esq.

Public

CASE SUMMARY

This claim was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on September 27, 1990. Claimant, Morton Michelson ("Michelson"), alleged that G. K. Scott & Co., Inc., ("GKS"), agreed to purchase 400 units of Electronic Technology Group, Inc., for Claimant's account at \$9.00; that after trading began, the price rose to 18 and Claimant authorized the sale of his 400 units; that after the market closed, Claimant was advised that he had been cut back to 310 units; and, that Respondent is liable to him for either the additional 90 units or the lost profits.

In a Statement of Answer filed with the NASD on November 2, 1990, Respondent denied all allegations of wrongdoing and alleged that Claimant is a sophisticated investor who should be aware of the term oversubscribed issue; and, that the account executive did attempt to contact Claimant to advise him of the reduction of his allocation.

RELIEF REQUESTED

Claimant requested 90 units of Electronic Technology Group, Inc., or alternatively, damages in the amount of \$720.00 plus interest.

Respondent requested dismissal.

AWARD

On February 27, 1991, in Fort Lauderdale, Florida, during a hearing lasting one (1) session, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant, on September 17, 1990, and by Steven Kevorkian on behalf of Respondent on October 31, 1990.

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

1. Respondent, GKS, is found liable and shall pay to the Claimant the amount of \$720.00, plus interest at the legal rate of 12% per annum from March 13, 1990, to date in the amount of \$82.80 for a total due to the Claimant of \$802.80.

FORUM FEES


1. Pursuant to Section 43c of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of \$15.00 (one session x \$15.00). Respondent, GKS, is hereby assessed \$15.00 payable directly to the Claimant.

2. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

None.

Arbitrator Signature

  
Patricia A. Shub, Esq.

Date of Decision: February 27, 1991