

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant:

Tiffany T. Michel

90-03415

Name of Respondents:

Peter C. Kapreilian
G.K. Scott & Co., Inc.
Michael Czaja

REPRESENTATION

For Claimant: Bernard Kobroff, Esq. of S. W. Azriliant, P.C.

For Respondents G. K. Scott & Co., Inc. and Michael Czaja:
Harold Geringer, Esq. of Geringer & Dolan.

Respondent Peter C. Kapreilian did not have a counsel of record.

CASE INFORMATION

Claimant filed a Statement of Claim on November 30, 1990 and an Amended Statement of Claim on June 4, 1991. She signed a Submission Agreement on May 30, 1991.

Respondent G. K. Scott & Co. ("G. K. Scott") and Respondent Michael Czaja ("Czaja") filed a joint Statement of Answer on August 8, 1991. Respondent G. K. Scott & Co. signed a Submission Agreement on June 27, 1991. Respondent Michael Czaja signed a Submission Agreement on June 27, 1991.

Respondent Peter C. Kapreilian ("Kapreilian") did not sign a Submission Agreement nor submit a Statement of Answer.

HEARING INFORMATION

Hearing Date/Sessions: October 8, 1991: one session.

Hearing Location: New York, New York.

Respondent Kapreilian did not attend the hearing.

CASE SUMMARY

Claimant alleged that her broker, Respondent Kapreilian failed to follow instructions and failed to execute orders given to him to sell Hart Technologies and Epolin incorporated stocks, that he made unauthorized sales and purchases of various stocks, and that he made various misrepresentations in connection with the purchase and sales of certain stocks. Claimant further alleged that Respondent Czaja who was the office manager for Respondent G.K. Scott failed to supervise Respondent Kapreilian and that Respondent G.K. Scott failed to supervise either Respondent Kapreilian or Respondent Czaja.

Respondent G. K. Scott and Respondent Czaja alleged that proper supervisory mechanisms were in place at all times and that they acted in good faith.

RELIEF REQUESTED

At the hearing, Claimant requested damages of \$26,567.93 against Respondent Kapreilian.

Respondent Kapreilian did not file an answer in this case.

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. In accordance with section 25 of the Code of Arbitration Procedure, Respondent Peter Kapreilian was served with the Statement of Claim and given an opportunity to respond which he failed to do;
2. In accordance with section 21 and section 26 of the Code of Arbitration Procedure, Respondent Peter Kapreilian was given due notice of the hearing procedure by regular and certified mail and failed to appear at the hearing;
3. In accordance with section 29 of the Code of Arbitration Procedure, the arbitration panel determined in light of the foregoing information to proceed with the hearing as scheduled;
4. Prior to the commencement of the first hearing session, the arbitration panel was informed that Claimant had reached a settlement agreement with Respondents Czaja and G. K. Scott;

5. That Respondent Kapreilian is liable and shall pay to the Claimant the sum of Ten thousand dollars and no cents (\$10,000.00) plus simple interest at the rate of 9% from June 21, 1990 to the date of payment of the award.
6. That each side shall bear its own costs, including attorney's fees.
7. That all other claims are hereby denied.

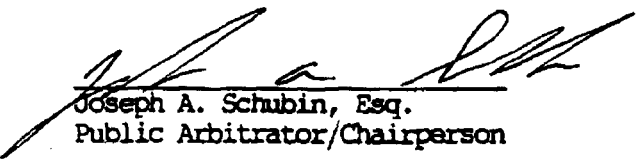
FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD will retain the \$300.00 hearing session deposit previously paid by the Claimant.

Respondent Kapreilian is directed to reimburse the Claimant for this amount.

The NASD will retain the \$100.00 nonrefundable claim filing fee previously paid by the Claimant.

Arbitrator's Signature:



Joseph A. Schublin, Esq.
Public Arbitrator/Chairperson