

N.A.S.D. AWARD**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

In the Matter of the Arbitration Between

Name of Claimant

Abdul R. Kazam

91-01020

Name of Respondent

Joni Merwin

REPRESENTATION

For Claimant, Abdul R. Kazam: Thomas F. Bullock, Esq.

For Respondent, Joni Merwin: Joni Merwin.

CASE INFORMATION

Statement of Claim filed: April 3, 1991.

Claimant's Submission Agreement signed on: February 20, 1991.

Statement of Answer filed by Respondent, Joni Merwin, on: August 9, 1991.

Respondent, Joni Merwin's Submission Agreement signed on: August 5, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: June 17, 1992 - One Session.
June 30, 1992 - One Session.

Hearing Location: NASD Offices, New York, NY.

CASE SUMMARY

Claimant, alleged that he maintained an account at Blinder Robinson and Co., Inc. ("Blinder") and Respondent, Joni Merwin ("Merwin") was his account representative. Claimant alleged that Merwin solicited him to purchase one million shares of Touchstone Software Corporation ("Touchstone") at a price that was below the bid price, advising him that he would have a built in profit and that she would insure against loss of principal by issuing a stop loss limit on the stock. Claimant alleged that Merwin assured him that market makers of OTC stocks can place stop loss limits on stocks. Claimant alleged that he purchased the stock based on Merwin's representations, and he later found out that Merwin had fraudulently misrepresented the bid price.

Claimant alleged that he also bought shares of Telestar based on Merwin's representations regarding the bid price which again, was falsely represented by Merwin. Claimant alleged that a few days after the initial purchase of Touchstone, Merwin again solicited him, and he purchased another one million shares based her representations of the bid price. Claimant alleged that a few weeks later, he instructed Merwin to sell the shares of Touchstone. Claimant alleged that Merwin refused, telling him that she wanted to wait until the bid price of the stock went up. Claimant alleged that he questioned Merwin about the bid price and Merwin explained that the price appearing on his account statement were the minimum prices of the stock by law and were not the market maker prices.

Claimant alleged that Merwin solicited him to purchase Amareco Environmental Services stock, again giving him false representation of the actual bid price of the stock. Claimant alleged that some months later he again instructed Merwin to sell his Touchstone stock and was informed that it was trading at well below the original bid price. Claimant alleged that Merwin told him that due to a shift in policy, no stop loss limit order was placed on the stock.

Respondent maintained that she was Claimant's stock broker and that she did tell Claimant about Touchstone, disclosing the risks involved. Merwin denied telling Claimant that she would place a stop loss limit order on the stock and in fact told Claimant that he could not do that with this stock. Merwin maintained that she never fraudulently quoted stock prices to the Claimant and that she has never sold a stock above the quoted price by law. Merwin denies that the Claimant ever gave her a sell order and that he in fact told her that he wanted to hold his positions long term. Merwin maintained that a CBS 60 Minutes report appeared on Blinder Robinson, after which the Claimant discussed the possibility of selling the stock. Merwin maintained that she quoted him the stock price and told the Claimant that she felt that the companies in question were still good companies. Merwin maintained that the Claimant agreed with her and decided to wait to see what happened.

RELIEF REQUESTED

Claimant requested damages in the amount of \$71,050.00.

Respondent requested that the claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

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. The Claim is hereby dismissed in its entirety.
2. All other claims and counterclaims, if any, are hereby dismissed in their entirety.

FORUM FEES

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

1. The initial filing fee of \$150.00 is hereby assessed against the Claimant. Claimant is entitled to offset this amount with the previously paid filing fee of \$150.00.
2. The forum fees of \$1,000 (2 sessions X \$500.00) are hereby assessed against the Claimant. Claimant is entitled to offset this amount with the previously paid hearing session deposit of \$500.00. Therefore, Claimant is liable and shall pay to the NASD the balance of \$500.00 (FIVE HUNDRED DOLLARS AND 00/XX).
3. Postponement fees in the amount of \$1,000.00 are hereby assessed against the Respondent, Joni Merwin. (\$500.00 for the postponement of the hearing of January 10, 1992; \$500.00 for the postponement of the hearing of June 17, 1992.) Therefore the Respondent is liable and shall pay to the NASD the amount of \$1,000.00 (ONE THOUSAND DOLLARS AND 00/XX).

Concurring Arbitrator's Signature
Name


Paul E. Barr

Industry Arbitrator

Executed on

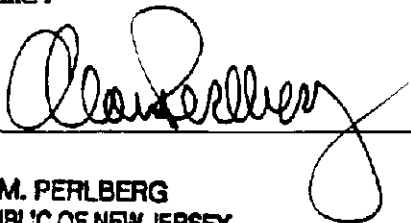
Date of Decision

6/30/92

Date of Decision: July 21, 1992

STATE OF New Jersey ss.:
COUNTY OF Essex

On this 14th day of July 1992 before me personally appeared Paul E. Barr to me ~~known~~ and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



ALAN M. PERLBERG
A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 15, 1995

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Concurring Arbitrator's Signature
Name


Jeffrey S. Eisenberg, Esq.

Executed on

Date of Decision: 7/15/92

Public Chairperson

Date of Decision: July 21, 1992

STATE OF NEW YORK ss.:

COUNTY OF NEW YORK

On this 15th day of July 1992, before me personally appeared Jeffrey S. Eisenberg, Esq. to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Janet Trakin

JANET TRAKIN
Notary Public, State of New York
No. 314949583
Qualified in New York County
Commission Expires 4/17/93

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Concurring Arbitrator's Signature

Name

Public Arbitrator


John R. Mitchell, CPA

Executed on

Date of Decision:

7/30/92

Date of Decision: July 21, 1992

STATE OF New York ss.: Bronx
COUNTY OF Westchester

On this 13th day of July 1992, before me personally appeared John R. Mitchell to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Mark F. Shkrel

MARK F. SHKREL
Notary Public, State of New York
No. 03-4996849
Qualified in Bronx County
Cert. Filed in Westchester County
Commission Expires 05/26/94