

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Dorothy Day Otis

vs

Gregory Kovner

NASD Arbitration

No.91-01060

REPRESENTATION

For Claimant: Mr. Michael L. Paule - Investors Arbitration Services, Inc.

For Respondent: No Appearance

CASE INFORMATION

Statement of Claim filed: April 4, 1991

Claimant's Submission Agreement signed on: March 22, 1991

No Statement of Answer filed by Respondent, Gregory Kovner

No Submission Agreement signed by Respondent, Gregory Kovner

HEARING INFORMATION

Pre-Hearing Conference : None

Hearing Date/Session: March 25, 1992 - Two Sessions

Hearing Location: :Los Angeles, California

CASE SUMMARY

Claimant, Dorothy Day Otis (Otis) alleged that Respondent, Gregory Kovner (Kovner) convinced Otis to invest in a limited partnership called Axion Entertainment. Kovner used high pressure sales tactics in convincing Otis that the partnership was a fantastic investment opportunity. Kovner told the Claimant that the investment would double in value in five years and she could conceivably get a ten-to-one return. Based on Kovner's representations, the Claimant invested \$25,000.00 in Axion. Subsequent to the sale, the partnership began to experience severe financial difficulties. Claimant has lost most if not all of her investment as a result of the gross misrepresentation and fraud perpetrated by Kovner.

Respondent, Gregory Kovner, did not file an answer to the claim.

RELIEF REQUESTED

Claimant requested: Return of her investment in said limited partnership, interest, costs and recovery of consulting and other fees.

Respondent did not file an answer to the claim.

OTHER ISSUES CONSIDERED AND 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 original(s) remain on file with the NASD.

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. Each and every claim of Claimant, Dorothy Day Otis, against Respondent, Gregory Kovner, is dismissed with prejudice.
2. The parties shall each bear their respective costs and fees.
3. The NASD shall retain the \$520.00 previously deposited by the Claimant.
4. No additional forum fees are assessed.

ARBITRATION PANEL

David Menaker

Public/Industry  
Industry  
Public  
Public Chairperson

DATE SERVED: 04/10/92

Date of Decision: April 5, 1992