

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Mildred Sayer, Ann Kumstat Executrix

91-01361

Name of Respondents

Monmouth Investments Inc.
Ron Sarno

REPRESENTATION

For Claimant: Casper P. Boehm, Jr., Esq. a sole practitioner.

For Respondent, Ron Sarno: Jerry Selvers Esq. of Sonnenblick, Parker & Selvers.

For Respondent, Monmouth Investments, Inc.: Sena Hussain.

CASE INFORMATION

Statement of Claim filed: April 29, 1991.

Submission Agreement signed on: May 31, 1991 by Ann Kumstat, Executrix of Claimant's estate.

Claimant's letter dated March 5, 1992.

Claimant's letter dated March 31, 1992.

Statement of Answer filed by Respondent, Ron Sarno on: August 5, 1991.

Supplemental Answer filed by Respondent, Ron Sarno on: January 24, 1992.

Respondent, Ron Sarno's Submission Agreement signed on: November 26, 1991.

Sena Hussain's letter dated May 11, 1992.

Guy Mockbee's letter dated November 6, 1992.

HEARING INFORMATION

Hearing Date/Sessions: February 25, 1993 - Two Sessions.

Hearing Location: NASD Offices - New York, NY.

CASE SUMMARY

Ann Kumstat, Executrix of Claimant, Mildred Sayer's estate (hereinafter, "Kumstat") alleges that Claimant was not a sophisticated investor and that she mainly invested in blue chip stocks. Kumstat alleges that Respondent, Ron Sarno ("Sarno"), improperly sold Claimant's portfolio of blue chip stocks in order to purchase penny stocks. Kumstat alleges that Claimant suffered tax consequences, that the value of the penny stocks was below its market value and that Sarno profited by receiving brokerage commissions. Kumstat alleges that Respondents, Monmouth Investments, Inc. and Ron Sarno violated the caveat of "know your client" and that Respondents failed to act in Claimant's best interests.

Respondent, Ron Sarno maintains that Claimant was fully aware of all her investment decisions and that he specifically discussed with the Claimant, the tax consequences of selling her portfolio of stocks. Sarno maintains that every trade in Claimant's account was confirmed by phone or in person.

Sena Hussain stated that she resigned from Monmouth Investments Inc. prior to the events described in the statement of claim.

Guy Mockbee stated that he has no knowledge of Claimant's account, he had no dealings with Sarno, he was not a principal or director of Monmouth Investments Inc. and that he did not work in the branch in question.

RELIEF REQUESTED

Claimant requested damages in the amount of \$30,000.00 plus punitive damages.

Respondent, Ron Sarno, requested that the claim be dismissed and that Claimant's estate be assessed the costs of this action.

OTHER ISSUES CONSIDERED & DECIDED

On March 5, 1992, Claimant's counsel submitted a request that the NASD serve Monmouth Investments through former principals of the firm. Pursuant to this letter, on April 14, 1992 the NASD served Monmouth Investments in care of the following individuals: Ann Cascarelli Trenton, Stephen Allen Hersch, David Melvin Haber, Lawrence Gene Zuliani, Guy Garron Mockbee, Edward Raymond Ransom and Sena Hussain. As stated above, Sena Hussain and Guy Mockbee submitted letters in response to the Claim. Sena Hussain appeared at the hearing and was deemed a corporate representative of Monmouth Investments, Inc. None of the other individuals named above appeared at the hearing or submitted responses to the statement of Claim. Service on Monmouth Investments Inc. in care of the above named individuals was read into the record at the hearing and the Chairperson ruled that adequate service and notice had been provided pursuant to Section 25 of the Code of Arbitration Procedure and that the hearing could proceed against Monmouth Investments nc.

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 remains 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) Respondents, Ron Sarno and Monmouth Investments, Inc. are hereby jointly and severally liable and shall pay to the Claimant's estate the amount of \$7,815.00 (SEVEN THOUSAND EIGHT HUNDRED FIFTEEN DOLLARS AND 00/XX). This amount is exclusive of interest.
- 2) The Claim for punitive damages is denied.
- 3) As detailed below, Respondents, Ron Sarno and Monmouth Investments Inc. shall reimburse to the Claimant's estate forum fees in the amount of \$650.00 (SIX HUNDRED FIFTY DOLLARS AND 00/XX).

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FORUM FEES

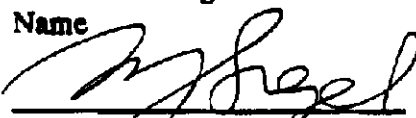
Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed:

\$100.00	Non-refundable filing fee
\$600.00	Hearing Session Fees (2 sessions x \$300.00)

- 1) Total forum fees in the amount of \$700.00 are hereby assessed against jointly and severally against the Respondents, Ron Sarno and Monmouth Investments, Inc.
- 2) As stated above, Respondents are directed to re-imburse to the Claimant's estate, the amount of \$650.00 that Claimant's estate previously deposited with the NASD.
- 3) Respondents are directed to pay the balance of \$50.00 to the NASD, Inc.

Arbitrator's Signature

Name


Martin Jay Siegel, Esq.

Public Chairperson

Date of Decision: April 23, 1993

STATE OF NEW YORK ss.:

COUNTY OF NEW YORK

On this 15th day of April 19 93, before me personally appeared Martin Jay Siegel 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.

Maria Campese

MARIA A. CAMPESE
Notary Public, State of New York
No. 62-4965360
Qualified in Suffolk County
Commission Expires April 16, 1994