

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Gregory & Nella Lovinsky

91-02400

Name of Respondents

Bear Stearns & Company
Ahmed Abdelaziz

REPRESENTATION

For Claimants: Kenneth J. Fisher, Esq. of Kenneth J. Fisher Co., L.P.A.

For Respondents: Nicholas P. Iavarone, Esq. of Bellows and Bellows.

CASE INFORMATION

Statement of Claim filed: August 1, 1991.

Claimants' Submission Agreements signed on: July 29, 1991.

Joint Statement of Answer filed by Respondents, Bear Stearns & Co., Inc. and Ahmed Abdelaziz on September 30, 1992.

Respondent Bear Stearns & Co., Inc.'s Submission Agreement signed on: September 30, 1991.

Respondent Ahmed Abdelaziz's Submission Agreement signed on: October 30, 1991.

HEARING INFORMATION

Pre-Hearing Conference held on: February 5, 1992

Hearing Date/Session: April 16, 1992, 2 sessions

Hearing Location: NASD offices located in Cleveland, Ohio.

CASE SUMMARY

Claimants Gregory and Nella Lovinsky alleged that Respondent Ahmed Abdelaziz made two unauthorized transactions on their account, the purchase of 8,100 shares of AST Research and the sale of 81 calls for AST Research. Claimants

further alleged that immediately upon receipt of a complaint from Claimants, Respondent Bear Stearns & Co., Inc. then sold the AST Research stock in their account, resulting in a net loss of \$17,000 from the unauthorized buy and a loss of \$1000 from the unauthorized sale of the calls. Claimants further alleged they are Russian immigrants who do not read or write English and Respondent Abdelaziz was fully aware of this.

Respondents maintained that all the transactions were authorized by Claimants after discussion with Respondent Abdelaziz, and that in each case Respondent Abdelaziz had reviewed with Claimants the risks, mechanics, and rewards of each transaction.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$18,000.

Respondents requested that Claimants' claims be dismissed in their entirety and the costs of this proceeding be assessed against Claimants.

AWARD

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

1. That Claimants' claims are denied in their entirety.
2. Each party shall bear their respective costs including attorneys fees.

FORUM FEES

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

2 sessions x \$300 = \$600 plus \$300 (Pre-Hearing Conference) = \$900
minus hearing session deposit of \$300 = \$600 net due.

Claimants be and hereby are liable and shall pay to the NASD the sum of \$600.00 to represent forum fees.

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the claim filing fee previously submitted by the Claimants.

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Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature:

Name

Public/Industry

Robert C. Devlin
Robert C. Devlin, Esq.

Public Arbitrator

Date of Decision: June 23, 1992