

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

 In the Matter of the Arbitration Between :
 :
 Leonard M. and Deborah Kanarek :
 :
 Claimant : CASE #91-03347
 : AWARD
 vs. :
 :
 Best Investors Group, Inc. :
 David D. Cameron :
 :
 Respondents :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 23, 1991, Claimants Leonard M. and Deborah Kanarek who appeared Pro Se, alleged that on September 27, 1990 they authorized Respondent David D. Cameron, a registered representative with Respondent, Best Investors Group Inc., to purchase 300 shares of American Film Technologies Inc. ("AFTI") for the purchase price of \$2,277.00 and sell these same 300 shares on October 4, 1990 for the sum of \$2,438.00, creating a profit in their account. Claimants further alleged that they received confirmations reflecting unauthorized trades in their account, whereby, an additional 500 shares of AFTI was purchased on October 8, 1990 then subsequently, sold on October 23, 1990 and another purchase of 100 shares of AFTI on October 29, 1990. Claimants contended that they immediately notified Respondents, and Best Investors Group Inc. and David D. Cameron of these errors and Respondent, David D. Cameron advised them they would be corrected. Claimants further contended that although they contacted Respondents several times to correct these unauthorized trades, Respondents have failed to reinstate their account, thus, creating losses to them.

Claimant asserted a Motion to Bar Respondents, Best Investors Group Inc. and David D. Cameron Statement of Answer pursuant to Section 25(b)(1) of the NASD Code of Arbitration Procedure.

Respondent, David D. Cameron, who appeared Pro Se, maintained that on September 27, 1990 Claimant, Leonard M. and Deborah Kanarek authorized him to purchase 300 shares of American Film Technologies Inc. ("AFTI") at \$7.25 per share and then sell those 300 shares on October 2, 1990 for \$8.50 per share, for a net amount of \$2,438.00.

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Respondent David D. Cameron further maintained that Claimants expressed their interest in purchasing AFTI again, if the price dropped. Respondent contended that he informed Claimants on October 8, 1990 that the price of AFTI had dropped, at which time, Claimants agreed to purchase 500 shares of AFTI for \$7.375 per share for a total of \$3,699.50 and Claimants were informed they would need to send an additional \$1,260.50 to cover this trade. Respondent further contended that he contacted Claimants to advise them that the AFTI stock price had dropped since their purchase on October 8, 1990 and once again reminded them to send the additional funds to cover the debit balance remaining in their account from this trade. Respondent asserted that he informed Claimants that if the Respondent, Best Investors Group Inc. did not receive these additional funds, they would sell the stock to cover the debit balance, at which time, Claimants failed to cover the debit and the stock was sold. Respondent further asserted that only 361 shares should have been sold out to cover the debit balance, whereby, Respondents Best Investors Group, Inc. and David D. Cameron made the necessary corrections to Claimants account to reinstate 100 shares of the AFTI stock.

Respondent, Best Investors Group Inc. by and through their counsel, John E. Lawlor, Esq., Sole Practitioner, Garden City, New York, maintained that the registered representative Respondent, David D. Cameron purchased 300 shares of AFTI at \$7.25 per share on September 27, 1990 and these shares were sold in accordance with Claimants, Leonard M. and Deborah Kanarek's instructions, at a modest profit on October 2, 1990. Respondent further maintained that the stock later declined in value to a level at or around Claimants original purchase price and on October 8, 1990, Claimants agreed to purchase 500 shares of AFTI at 7-3/8, at which time, they were advised to remit additional funds of \$1,260.50 to cover this trade. Respondent contended that when Claimants failed to remit the additional funds, the 500 shares were sold out to cover the debit and their account was left with a \$476.50 credit. Respondent further contended that only 361 shares should have been sold to cover Claimants debit balance, therefore, the account was reinstated 100 shares of AFTI. Respondent asserted that Claimants losses were not due to any wrongdoing on the part of Respondents, Best Investors Group, Inc. and David D. Cameron but rather, due to Claimants own failure to pay for a trade duly authorized.

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RELIEF REQUESTED

Claimants, Leonard M. and Deborah Kanarek requested \$2,438.00 in actual damages.

Respondent, Best Investors Group, Inc. requested the claim be dismissed.

Respondent, David D. Cameron requested the claim be denied.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Rebecca A. Novak, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on October 16, 1991 by the Respondent Best Investors Group, Inc. on February 27, 1992 and by the Respondent, David D. Cameron on February 26, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Best Investors Group Inc. and David D. Cameron are jointly and severally liable and shall pay to the Claimants, Leonard M. and Deborah Kanarek \$2,438.00 in damages.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Leonard M. and Deborah Kanarek shall be retained by the NASD, Inc. Respondents, Best Investors Group, Inc. and David D. Cameron are jointly and severally liable and shall pay to the Claimants the sum of \$50.00 as reimbursement.

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AFFIRMATION

I, REBECCA A. NOVAK ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

Rebecca A. Novak

Signature of Arbitrator

DATE OF DECISION: July 14 1992

DATED BY NASD, INC., JUL 14 1992