

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Marc H. Geldon :

Claimant :

CASE #91-03746

vs. :

AWARD

Bekhor Securities Corp. d/b/a :
First Affiliated Securities, Inc. :

Respondent :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 26, 1992, Claimant Marc H. Geldon who appeared Pro Se, alleged that Respondent First Affiliated Securities, Inc. through its registered representative, Alan Stingley, misled him into purchasing 93,000 shares of Delta Energy Corp. stock, which he was led to believe was going public and would pay him dividends. The Claimant further alleged that he later discovered that Alan Stingley was on the company's Board of Directors, and that he received high commissions pushing this stock which never went public. The Claimant contended that although he paid for 93,000 shares he received a certificate for only 58,000 and that he has been a victim of fraud.

Respondent Bekhor Securities Corp. d/b/a First Affiliated Securities, Inc. through its counsel, Arnold J. Rothlisberger, Esq. of Page, Polin, Busch & Boatwright, San Diego, California, maintained that it had established a system to supervise the activities of its registered representative, but Alan Stingley failed to report his outside business interests in Delta Energy Corp., and that it should not be held liable for Mr. Stingley's activities since it had a proper compliance system in place and it was Mr. Stingley's misrepresentations that caused a loss to the Claimant, not the firm.

RELIEF REQUESTED

Claimant Marc H. Geldon requested \$10,000.00 in actual damages, plus interest.

Respondent Bekhor Securities Corp. d/b/a First Affiliated Securities, Inc. requested that the claims of the Claimant be dismissed and that it be awarded its costs.

AWARD

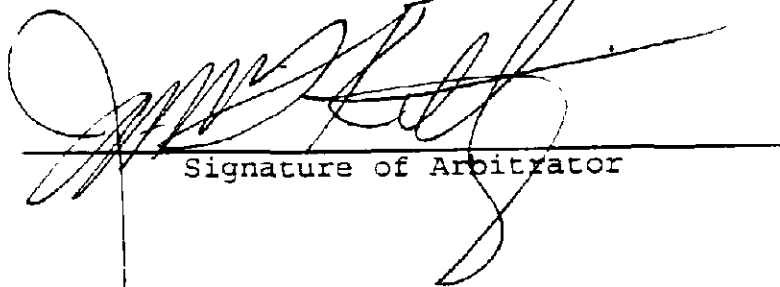
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, James G. Killough, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 7, 1992 and by the Respondent on February 24, 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. Respondent Bekhor Securities Corp. d/b/a First Affiliated Securities, Inc. is liable and shall pay to Claimant Marc H. Geldon \$10,000.00 in actual damages, plus \$1,184.00 representing interest.
2. Claimant Marc H. Geldon shall surrender to Respondent Bekhor Securities Corp. d/b/a First Affiliated Securities, Inc. all securities subject to this claim which are still in his possession.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Bekhor Securities Corp. d/b/a First Affiliated Securities, Inc. shall pay \$150.00 to Claimant Marc H. Geldon as reimbursement. The \$850.00 filing fee previously deposited by the Respondent shall be returned by the NASD, Inc.

AFFIRMATION

I, JAMES G. KILLOUGH, 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.



Signature of Arbitrator

DATE OF DECISION: September 21, 1992