

N.A.S.D. MODIFIED AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Naguib Yassa

MODIFIED AWARD
91-03820

Name of Respondent

Paul Christopher Keiley

REPRESENTATION

For Claimant Naguib Yassa ("Claimant"): David V. Soeiro, Attorney at Law.

For Respondent ("Respondent"): Paul Christopher Keiley: appeared pro se.

CASE INFORMATION

Statement of Claim filed: December 4, 1991

Claimant's Submission Agreement signed on: December 19, 1991

Statement of Answer filed by Respondent on: March 16, 1992

Respondent's Submission Agreement signed on: April 22, 1992

HEARING INFORMATION

Hearing Dates/Sessions: December 15, 1992 - one session
 December 21, 1992 - one session

Hearing Location: NASD Office, New York City

CASE SUMMARY

Claimant alleged that he was an unsophisticated investor with a limited command of English. Claimant alleged that Respondent took advantage of him by placing him in unsuitable "penny

stock" investments. Claimant alleged that Respondent intentional "hooked" Claimant by placing Claimant in an initial investment which made a quick profit. Claimant alleged that Respondent sold him stocks that were vastly inflated, with prices totally unrelated to "intrinsic value". Claimant alleged that Respondent engaged in a "classic" stock manipulation scheme. Claimant alleged that Respondent committed fraud by consistently misrepresenting the risks related to the stocks Respondent recommended to Claimant. Claimant alleged that Respondent misrepresented his position at the brokerage firm. Claimant alleged that Respondent committed unauthorized trading in his account. Claimant alleged that Respondent breached his fiduciary duty that he owed to Claimant.

Respondent maintained that Claimant was not an unsophisticated investor and that Claimant had an accounting background. Respondent maintained that he properly handled Claimant's account at all times and that all trades were specifically discussed and approved by Claimant prior to the trade. Respondent maintained that Claimant was not seeking conservative investments but rather short term capital gains. Respondent maintained that he did not make material misrepresentations to Claimant. Respondent maintained that he never misrepresented his position at the brokerage firm, Investors Center, Inc. ("ICI"). Respondent maintained that he promptly executed all trading orders placed by the Claimant. Respondent alleged that when ICI ceased doing business the securities sold by it were adversely impacted. Respondent maintained that the initial investment made by Claimant was not intended to "rope in" the Claimant and noted that Claimant still holds that investment. Respondent denied all other allegations of wrongdoing asserted by Claimant.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$10,865, plus interest from the date the respective stocks were purchased. Claimant also requested that all expenses and costs be borne by the Respondent.

Respondent requested that Claimant's claim be denied in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

Pursuant to Section 13(f) of the Code of Arbitration Procedure ("Code") the undersigned presiding arbitrator determined that a hearing in this matter would be held.

That the December 15, 1992 hearing was not attended by Respondent because of a death in the family. At the hearing on said date nearing the close of the Claimant's case, Respondent was conferenced into the hearing and he requested that the hearing be rescheduled. The Presiding Arbitrator granted Respondent's request and a second hearing date of December 21, 1993 was permitted to allow both sides a full and fair opportunity to be heard.

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 Respondent is liable to the Claimant and shall pay to the Claimant the sum of **FOURTEEN THOUSAND THREE HUNDRED FIFTY AND 00/100 DOLLARS (\$14,350.00)**, inclusive of interest.
2. That the parties are to bear their respective costs and expenses, including attorneys' fees.

FORUM FEES

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

1. That the hearing session fee for this one member arbitration panel is \$200 per session and two hearing sessions were conducted in this matter so that the total forum fee is \$400. This fee shall be assessed equally against the parties. Claimant is assessed forum fees in the amount of \$200, but is entitled to offset this amount with his simplified arbitration fee of \$75 so that the amount due from Claimant as a hearing session fee is \$125. Respondent is assessed hearing session fees of \$200.
2. That the postponement fee assessed for the October 13, 1992 is waived. As this fee was not submitted by Claimant no monies will be refunded.

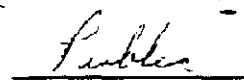
Fees are payable to the National Association of Securities Dealers, Inc.

Arbitrator's Signature
Name



Allen Kilik, Esq.

Public/Industry



Modified Award
DATED: July 6, 1993

STATE OF: ~~New York~~ *New York*
COUNTY OF: ~~New York~~ *Essex*

S.S.:

On this *27* day of *June*, 1993, before me personally appeared **Allen Kilik, Esq.** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Sharon M Rosenthal

SHARON M. ROSENTHAL
Notary Public of New Jersey
My Commission Expires Dec. 28, 1994