

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

James and Glenda Zarin

PUBLIC

92-00899

Name of Respondents

F.N. Wolf & Co., Inc.  
John Shuster

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REPRESENTATION

Claimants James and Glenda Zarin ("Claimants") were represented by Eric F. Schell of the law firm of David L. Duff, P.C.

Respondents F.N. Wolf & Co., Inc. and John Shuster ("Respondents") were represented by James C. Crosby, Esq.

CASE INFORMATION

Statement of Claim filed: March 16, 1992.

Claimants' Submission Agreement signed on: February 29, 1992.

Joint Statement of Answer filed by Respondents on: April 20, 1992.

Respondent F.N. Wolf & Co., Inc.'s ("F.N. Wolf") Submission Agreement signed on: April 15, 1992.

Respondent John Shuster's ("Shuster") Submission Agreement signed on: April 27, 1992.

HEARING INFORMATION

Hearing Date/Sessions: August 27, 1992, 2 sessions.

Hearing Location: NASD Office in Washington, D.C.

CASE SUMMARY

Claimants alleged that Respondents through fraudulent conduct and material misrepresentations induced Claimant to purchase securities that were unsuitable for Claimants. Claimants alleged that Respondents failed to disclose material information. Claimants alleged that the investments were unsuitable given their investment needs and objectives. Claimants alleged

that they were unsophisticated investors. Claimants alleged that Respondents breached their fiduciary duties they owed Claimants. Claimants alleged that Respondents negligently handled their account.

Respondents denied each and every allegation and Respondents maintained that Claimants, through the actions of James Zarin, controlled the account. Respondents maintained that James Zarin instructed Respondents to make all purchases in Claimants account. Respondents maintained that all investments were fully explained and that all material information was provided including the risks associated with the investments.

#### RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$75,000; punitive damages in the amount of \$100,000; plus costs and attorneys' fees.

Respondents requested that Claimants' claim be dismissed with prejudice and that Respondents be awarded all costs.

#### OTHER ISSUES CONSIDERED & DECIDED

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 originals remain on file with the NASD.

#### AWARD

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

1. That Claimants' claim for compensatory damages is denied in its entirety.
2. That Claimants' claim for punitive damages is denied in its entirety.
3. That 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:

Claimants previously filed hearing session deposit is retained. Respondents are jointly and severally assessed forum fees in the amount of \$750.00

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

Concurring Arbitrator's Signature:

Name

Public/Industry

  
Edgar T. Bellinger, Esq./Chairman

Public Arbitrator

Decision Dated: October 9, 1992

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

Concurring Arbitrator's Signature:

Public/Industry

Name

Richard E. Lauziere  
Richard E. Lauziere

10-06-92  
Public Arbitrator

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

Concurring Arbitrator's Signature:

Name

Public/Industry

  
Carol C. Jackson

Industry Arbitrator

Decision Dated: October 9, 1992