

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Arthur B. Cone

92-01658

Name of Respondents

Network 1 Financial Securities, Inc.  
Mike Ponder  
Herman Slutsky

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 15, 1992, Claimant Arthur B. Cone, who appeared Pro Se, alleged that Respondent Herman Slutsky, while employed by Respondent firm Network 1 Financial Securities, Inc., made an unsuitable recommendation to invest in 2,200 shares of Euro American Group, Inc. stock, and that the stock began to decline upon his purchase. The Claimant further alleged that Respondent Mike Ponder, who took over his account, also convinced him to stay with the firm and convinced him to purchase Fonar stock, which also dropped in value. The Claimant contended that the Respondents should be held liable in this matter.

Respondent Network 1 Financial Securities, Inc., through its representative, Richard D. O'Reilly, maintained that all the trades in the Claimant's account were authorized and were within the discussed goals and objectives of the account, and it should not be held liable in this matter.

Respondent Mike Ponder, who appeared Pro Se, maintained that he believed this matter had been resolved through an NASD investigation in which it was found that no action was warranted against him, and that he provided a response during that investigation in which he maintained that he committed no wrongdoing and recommended the purchase of Fonar in good faith.

Respondent Herman Slutsky, who appeared Pro Se, maintained that he never solicited the Claimant, nor did he ever speak to him, and further maintained that he never wrote a ticket for the Cone account and never received any commission for his account.

### **RELIEF REQUESTED**

Claimant Arthur B. Cone requested \$5,000.00 in actual damages, plus \$150.00 for fees and costs.

Respondent Network 1 Financial Securities, Inc. requested that the claims of the Claimant be dismissed.

Respondent Mike Ponder requested that the claims of the Claimant be dismissed.

Respondent Herman Slutsky requested that the claims of the Claimant be dismissed.

### **AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Alvin L. Fishman, 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 May 7, 1992, by the Respondent Network 1 Financial Securities, Inc. on August 2, 1992, by Respondent Mike Ponder on June 9, 1992 and by Respondent Herman Slutsky on July 20, 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. The claims of the Claimant Arthur B. Cone against Respondents Network 1 Financial Securities, Inc., Mike Ponder and Herman Slutsky are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. 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 Network 1 Financial Securities, Inc. is liable and shall pay \$150.00 to the Claimant as reimbursement.

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AFFIRMATION

I, ALVIN L. FISHMAN, 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.

A handwritten signature in black ink, appearing to read "Alvin L. Fishman", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: June 15, 1993