



Arbitration

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association
Securities Dealers.
NASD Financial Cent
33 Whitehall Street
New York, N.Y. 1000
FAX (212) 858-4389

In the Matter of the Arbitration Between

Name of Claimant(s)

Nesis Group Inc. and Susita Ltd

PUBLIC

92-02117

Name of Respondent(s)

Josephthal Lyon & Ross
Jacob Shapira

REPRESENTATION

For Claimants Nesis Group Inc., and Susita Ltd.: Arthur Fisch, Esq. of the law firm of Fisch & Kaufman.

For Respondents Josephthal Lyon & Ross and Jacob Shapira: Paul McCurdy, Esq. of the law firm of Kelley, Drye & Warren.

CASE INFORMATION

Statement of Claim filed: June 23, 1992.

Claimants' Submission Agreement signed on: June 16, 1992.

Joint Statement of Answer filed by Respondents Josephthal Lyon & Ross and Jacob Shapira on: September 13, 1992.

Respondent Josephthal Lyon & Ross's Submission Agreement signed on: March 24, 1993.

Respondent Jacob Shapira's Submission Agreement signed on March 24, 1993.

HEARING INFORMATION

Hearing Dates/Sessions:

March 24, 1993 / Two Sessions
March 25, 1993 / Two Sessions
April 15, 1993 / Two Sessions
April 16, 1993 / Two Sessions

April 23, 1993 / One Session
May 10, 1993 / Two Sessions

Hearing Location: NASD offices located in New York City, New York.

CASE SUMMARY

Claimants alleged that Respondent Jacob Shapira, broker at Respondent Josephthal Lyon & Ross, recommended that Claimants invest in U.S. Bioscience and other stock, whereby, Respondent Shapira made a series of misrepresentations to induce Claimants to purchase this stock. Claimants further alleged that Respondent Shapira recommended that Claimants invest substantial portions of their assets in this one stock, notwithstanding that Respondents knew and/or recklessly failed to ascertain that the investment by Claimants represented a substantial portion of their assets. Claimants further alleged that these purchases were unsuitable in view of Claimant's investment objectives and financial situation. Claimants' further alleged that Respondents failed to take any steps to diversify Claimants' Account. Claimants contended that Respondents made unauthorized trades, violated the Securities Act of 1933, the Securities Exchange Act of 1934 and Rule 10-b(5) and breached their fiduciary duty to Claimants.

Respondents maintained that Claimants failed to plead with particularity as required by Rule 25 of the Code of Arbitration Procedure the misrepresentations alleged to have been made by Respondent Shapira and is therefore, estopped from introducing any proof concerning the misrepresentation. Respondents further maintained that Respondent Shapira did not induce Claimants to purchase the stock and stated Claimants authorized the purchases and amount, and deny any wrongdoing.

RELIEF REQUESTED

Claimant requested \$100,000.00 in compensatory damages, punitive damages, attorneys' fees, interest and costs.

Respondents requested all claims be dismissed.

AWARD

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

1. Respondents, jointly and severally, be and hereby are liable and shall pay Claimants the sum of \$99,701.00 inclusive of all interest.
2. Claimants' claim for punitive damages be and hereby are denied.

3. Each party shall bear their own costs.

FORUM FEES

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

11 sessions x \$500.00 = \$5,500.00 less \$500.00 hearing session deposit =
\$5,000.00 net due.

Respondents, jointly and severally, be and hereby are liable and shall pay the NASD the sum of \$4,400.00 to represent forum fees.

Claimants be and hereby are liable and shall pay the NASD the sum of \$600.00 to represent forum fees.

The NASD shall retain the \$150.00 filing fee and \$500.00 hearing session deposit previously deposited by Claimants.

ARBITRATORS' SIGNATURE



Michael J. Shalley, Esq.
Public Arbitrator

Andrew Reegen
Industry Arbitrator

Joseph Fromer
Public Arbitrator

Decision Dated: June 1, 1993

NASD

Arbitration

STATE OF: NEW JERSEY

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

COUNTY OF: MONMOUTH

On this 20th day of MAY, 1993, before me personally appeared Michael J. Shalley, 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.

Kelly D. Lawrence

NOTARY PUBLIC
MY COMMISSION EXPIRES

STATE OF:

SS:

COUNTY OF:

On this day of , 1993, before me personally appeared Andrew Reegen 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.

STATE OF:

SS:

COUNTY OF:

On this day of , 1993, before me personally appeared Joseph Fromer
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.

3. Each party shall bear their own costs.

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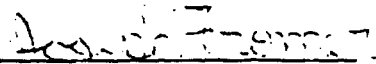
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ARBITRATORS' SIGNATURE

Michael J. Shalley, Esq.
Public Arbitrator

Andrew Reegen
Industry Arbitrator



Joseph Fromer
Public Arbitrator

Decision Dated: June 1, 1993

NASD

Arbitration

STATE OF:

National Association
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

COUNTY OF:

On this _____ day of _____, 1993, before me personally appeared Michael J. Shalley, Esq. known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

STATE OF:

SS:

COUNTY OF:

On this _____ day of _____, 1993, before me personally appeared Andrew Reegen known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

STATE OF:

SS:

COUNTY OF:

On this 20 day of May, 1993, before me personally appeared Joseph Fromer known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

MARK O. GLUT
Notary Public, State of New York
No. 4986193
Qualified in Queens County
Commission Expires 12/20/1994

Mal Shalley

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ARBITRATORS' SIGNATURE

Michael J. Shalley, Esq.
Public Arbitrator



Andrew Reegen
Industry Arbitrator

Joseph Fromer
Public Arbitrator

Decision Dated: June 1, 1993

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Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
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STATE OF:

COUNTY OF:

On this day of , 1993, before me personally appeared Michael J. Shalley, 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.

STATE OF:

COUNTY OF:

SS:

On this 19 day of May , 1993, before me personally appeared Andrew Reegen 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.

MARK O. GLUT
Notary Public, State of New York
No. 4685193
Qualified in Queens County
Commission Expires April 20, 1994

Mark O. Glut

STATE OF:

COUNTY OF:

SS:

On this day of , 1993, before me personally appeared Joseph Fromer
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.