

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

DEC 2 1993

Name of Claimant(s)

NFL ARBITRATION

Joseph Maenza

Case No. 92-02705

Name of Respondent(s)

Paragon Capital Corporation
Larry Blocksberg

REPRESENTATION

For Claimant Joseph Maenza ("Maenza"): Russell L. Forkey, Esq.

For Respondent, Paragon Capital Corporation ("PCC"): Jerome J. Schwarzman, Esq. Respondent, Larry Blocksberg ("Blocksberg"): pro-se.

CASE INFORMATION

Statement of Claim filed: August 11, 1992. Claimant's Submission Agreement signed August 6, 1992.

Respondent, PCC's, Statement of Answer received on June 8, 1993. Respondent Blocksberg's, 'Statement of Answer filed: September 14, 1992. Respondents' Submission Agreement signed: September 9, 1992 by Sunny J. Levine on behalf of PCC, and on September 8, 1992 by Blocksberg.

HEARING INFORMATION

On October 8, 1993, in Fort Lauderdale, Florida a prehearing conference lasting 1 session was conducted via telephone call with an arbitrator. On June 8, 1993 and October 15, 1993 in Fort Lauderdale, Florida hearings lasting 3 sessions were conducted.

CASE SUMMARY

Claimant alleged that Respondent was instructed to purchase 2000 shares of an

initial public offering; in contrast to Claimant's instructions, Respondent effectuated an unauthorized purchase of an additional 8000 shares for Claimant's account; and that Respondents actions constituted breach of contract, fraud and deceit, breach of fiduciary duties, negligence and negligent supervision.

Respondents, denied all allegations of wrongdoing and alleged that Claimant gave explicit instructions to make a purchase of 10,000 shares, not 2000; Claimant is a sophisticated investor; and that Claimant tried to renege on the transaction after it could not be canceled.

RELIEF REQUESTED

Claimant requested damages of \$10,000.00 plus costs, attorney's fees, and interest.

Respondents requested dismissal of the claim.

OTHER ISSUES CONSIDERED & DECIDED

Claimants motion to strike was denied.

AWARD

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

1. Respondent, Blocksberg, is found not liable and, therefore, all claims against him are hereby dismissed.
2. Respondent, PCC, is found liable, and shall pay to the Claimant the amount of \$5,000, plus interest at the legal rate of 12% per annum from April 28, 1992 to November 10, 1993 in the amount of \$916.52 for a total due to the Claimant of \$5,916.52.
3. Claimant's request for attorney's fees and costs are denied.

OTHER COSTS

None.

FORUM FEES

- 1) Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of \$800 (1 pre-hearing conference x \$200 plus 3 sessions x \$200)

2) Claimant is hereby assessed \$400 for which the NASD shall retain the \$200 previously deposited in partial satisfaction thereof leaving a balance due of \$200 payable to the National Association of Securities Dealers.

3) Respondent, PCC is hereby assessed \$400 payable to the National Association of Securities Dealers.

4) The NASD shall retain the non-refundable filing fee of \$75 paid by the Claimant.

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



Joseph L. Bernstein, Esq.

Public/Chairperson

Date of Decision: 11-30-93