

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Helen Ketzner

92-04008

Name of Respondent(s)

Berkeley Securities Corporation  
Marsha A. Bakal

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**REPRESENTATION**

Claimant appeared pro se.

For Respondent Berkley Securities Corp.: Phyllis Henderson, Esq. in-house counsel at Berkley Securities Corp.

Respondent Marsha Bakal appeared pro se.

**CASE INFORMATION**

Statement of Claim filed: January 8, 1993.

Claimant's Submission Agreement signed on: November 23, 1992.

Statement of Answer filed by Respondent Berkley Securities Corp. on: February 24, 1993.

Respondent Berkley Securities Corp.'s Submission Agreement signed on: February 23, 1993.

Statement of Answer filed by Respondent Marsha Bakal on: March 15, 1993.

Respondent Marsha Bakal's Submission Agreement signed on: March 29, 1993.

**HEARING INFORMATION**

Hearing Date/Session: September 1, 1993 / One Session.

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

**CASE SUMMARY**

Claimant alleged that between August and November 1989 she purchased a total of \$9,400.00 shares of ADM Tronics at an average cost of \$1 a share. Claimant alleged that the company is a long established family owned New Jersey based chemical company which went public and Claimant's accountant, Jerry Ashenberg, knew the family owners. Claimant contended that Mr. Ashenberg put her in touch with Donald McCrystal, employee of Respondent Berkley Securities Corp., and through Mr. McCrystal, Claimant purchased 9,400 shares of ADM Tronics for about \$10,000.00. Claimant alleged that over the next two years the stock continued to fluctuate but the value went down to 5/8 a share. Claimant further alleged that in August of 1991 the account was transferred to Respondent Marsha Bakal, whereby, Claimant explained to Respondent Bakal that she wanted to sell all her shares of ADM Tronics to cut her losses and salvage whatever monies were left in the account. Claimant further alleged that her own savings were "wiped out", and had to move out of her home due to personal reasons, whereby, Respondent Bakal told Claimant about a block of shares in a water bottling company, Aqua Services International. Claimant further alleged that Respondent Bakal assured Claimant it was a safe stock, the company was stable, an excellent investment and the stock probably would go from 5/8 to \$1 within a year and at that point Claimant could recoup her losses. Claimant alleged that this was a very difficult period in her life, and Respondent Bakal pushed very hard stating that the stock was going to explode, and each time Claimant spoke with Respondent Bakal she reassured Claimant that the company was solid. Claimant further alleged that by July 1992 the stock was worthless and about the same time Respondent Bakal moved to Investors Associates which Claimant thought was Respondent Berkley Securities Corp. Claimant alleged that Respondents preyed on Claimant's ignorance and desperation and took unfair advantages of Claimant.

Respondent Berkley Securities Corp. maintained that of all Claimant's trading of ADM Tronic were unsolicited, all recommendations made by Respondent Bakal were made in good faith and Claimant made an investment decision according to her expressed investment objectives. Respondent Berkley Securities Corp. further maintained that it never had a name change maintained it's innocence of all charges and believes that Respondent Bakal serviced Claimant's account with care

and consideration.

Respondent Bakal maintained that Claimant's account was assigned to her because the original broker of record, Donald McCrystal, resigned from Respondent Berkley Securities Corp. Respondent Bakal further maintained that Claimant told her that she was interested in "growth" stocks. Respondent Bakal further maintained that throughout all their conversations Claimant never mentioned her personal problems and Respondent Bakal never exerted any pressure on Claimant to effect any transaction and all recommendations and transactions were in accordance to Claimant's stated investment objective.

### **RELIEF REQUESTED**

Claimant requested \$14,000.00 in compensatory damages.

Respondents requested all claims be dismissed in their entirety.

### **AWARD**

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

1. All claims be and hereby are dismissed in their entirety.
2. Respondent Berkley Securities Corp. be and hereby is liable and shall pay Claimant the sum of \$275.00 to represent forum fees.


### **FORUM FEES**

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

1 session x \$200.00 = \$200.00 less hearing session deposit  
of \$200.00 = \$0 net due.

The NASD shall retain the \$75.00 filing fee and \$200.00 hearing session deposit previously paid by Claimant.

ARBITRATORS' SIGNATURE

  
Harry Weiss  
Public Arbitrator

Date of Decision: Sept. 23, 1993

STATE OF *NEW YORK*

SS:

COUNTY OF *WESTCHESTER*

On this <sup>18<sup>th</sup></sup> ~~3rd~~ day of Sept. 1993, before me personally appeared Harry Weiss 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.

  
Carol Weiss

CAROL WEISS  
Notary Public, State of New York  
No. 6007068  
Qualified in Westchester County  
Commission Expires Jan. 18, 1995