

## N.A.S.D. AWARD

## NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Chatwin M. Jackson, III, Esq.

93-00251

Name of Respondent

D.H. Blair & Co., Inc.

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on January 25, 1993, Claimant Chatwin M. Jackson, III, Esq., who appeared Pro Se, alleged that in December, 1990, he responded to an advertisement concerning trading in IPO stocks being offered by Respondent D.H. Blair & Co., Inc., whereby he received a phone call from Respondent by and through James Popkin who informed Claimant there were no IPO stocks available; however, Mr. Popkin discussed stock in a company named DSP Technology, Inc., at which time, Claimant agreed to purchase. Claimant further alleged that Respondent by and through Mr. Popkin, at no time mentioned or discussed with Claimant details about a company named CVD Equipment Corp. ("CVD"); nevertheless, Claimant received a confirmation slip in the mail for the purchase of 17,000 shares of CVD for the amount of \$10,627.25, whereby Claimant immediately notified Respondent about this mistake. Claimant contended that after numerous phone calls and letters, Respondent has refused to correct this incident. Claimant further contended that he did not authorize Respondent by and through Mr. Popkin to buy any CVD stock, he did not authorize discretionary power of his account, and he did not authorize any margin purchases. Claimant asserted that Respondent failed to properly supervise its employees, failed in its in-house sale review functions, and failed in its record keeping duties, which caused Claimant to sustain actual losses, loss of income and expenses.

Respondent D.H. Blair & Co., Inc. by and through their counsel Joseph R. Scholz of Phillips, Nizer, Benjamin, Krim & Ballon, New York, NY, maintained that Claimant Chatwin M. Jackson, III, Esq., opened an account with them, whereby he described himself as an experienced investor, and had the investment objection of speculation and long term growth. Respondent further maintained that Claimant wrote to complain about the CVD purchase some

three months after the trade occurred, and in the interim, all but 4,905 shares of the CVD stock were sold out. Respondent contended that the Claimant again waited four months to bring this matter to Respondent's attention, whereby, based on Claimant's conduct, he ratified the purchase of CVD. Respondent further contended that Claimant suffered no damages, and when his account was transferred to another brokerage firm, he had an unrealized profit of \$6,905.00 on his account, thus all the claims should be dismissed.

### **RELIEF REQUESTED**

Claimant Chatwin M. Jackson, III, Esq. requested \$10,000.00 in actual damages.

Respondent D.H. Blair & Co., Inc. requested the claim be dismissed and they be awarded attorney's fees, costs and expenses.

### **AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David E. Robbins, 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 January 9, 1993 and by the Respondent on February 26, 1993.

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. Respondent's Motion to Compel Production of Documents is denied.
2.
  - a) Respondent D.H. Blair & Co., Inc. is liable and shall pay to the Claimant Chatwin M. Jackson, III, Esq. the sum of \$5,868.00 in actual damages
  - b) The Claimant shall relinquish 4,905 shares of CVD Equipment Corp., to be delivered to Respondent within thirty (30) days of the date of this award.
3. In the alternative, if those shares are not received by that date, Respondent shall pay to the Claimant the sum of \$3,568.00 within thirty (30) days of the due date, and Claimant may keep the shares.

4. Respondent D.H. Blair & Co., Inc. is liable and shall pay to the Claimant simple interest at the rate of 9% per annum from October 31, 1992 to the date of payment of the award, on the sum paid to Claimant.
5. The parties shall bear their respective costs and attorney's fees.
6. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Chatwin M. Jackson, III, Esq. shall be retained by the NASD, Inc. Respondent D.H. Blair & Co., Inc. is liable and shall pay to the Claimant the sum of \$150.00, as reimbursement.

**AFFIRMATION**

I, DAVID E. ROBBINS, 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.

  
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David E. Robbins, Esq.

DATE OF DECISION: September 10, 1993

STATE OF: *NEW YORK*

SS:

COUNTY OF: *NEW YORK*

On this *1st* day of *September* 19*93*, before me personally appeared David E. Robbins, Esq. to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

*Maureen Ferranti*

MAUREEN FERRANTI  
Notary Public, State of New York  
No. 41-4901492  
Qualified in Queens County  
Commission Expires July 20, 1995