

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Janet S. Sontz

93-00541

Name of Respondent(s)

Integrated Resources Equity Corp.
Stephen N. Sayegh

REPRESENTATION

Janet Sontz appeared pro se.

For Respondent, Integrated Resource Equity Corp.: Mark Quinn, corporate representative from Integrated Resources Equity Corp.

Respondent Stephen Sayegh appeared pro se.

CASE INFORMATION

Statement of Claim filed: February 8, 1993.

Claimant's Submission Agreement was signed on: February 11, 1993.

Statement of Answer filed by Respondent Integrated Resources, Inc. on: April 12, 1993.

Respondent Integrated Resources Inc's Submission Agreement signed on: November 3, 1993.

HEARING INFORMATION

Hearing Dates/Sessions:

November 3, 1993

- 1 session

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

CASE SUMMARY

Claimant alleged that in October 1987 she informed Respondent Sayegh, who at that time was employed with Respondent Integrated Resources, that Claimant and her former husband had no understanding of financial matters and no inclination to make complicated financial decisions for themselves. Claimant further alleged that she privately told Respondent Sayegh that her marriage was not stable and to consider this in any judgments he might make, whereby, Respondent Sayegh assured Claimant that he was the right man for the job. Claimant contended that they agreed to an investment philosophy that protected Claimant's and her husband's principle while producing a reasonable return on their money. Claimant alleged that in keeping with these guidelines they invested \$25,000 in Putnam American Government Fund, and in December 1987 Claimant requested Respondent Sayegh to handle her IRA account, whereby, he suggested an \$18,000 investment in Dreyfus Capital Value Fund and a diversified investment of \$10,000 in a real estate venture, Public Storage Properties XIX. Claimant contended that she did not want to put any money in Public Storage Properties, however, Respondent Sayegh continued to sell Claimant on the idea she had to diversity and made her "feel stupid" until Claimant finally agreed. Claimant contended that in March 1991 after seeing a dramatic erosion of her principle investment, she spoke to Respondent Sayegh who explained to her there were no buyers of Public Storage and it was a good long term investment. In February 1993 Claimant sold shares in public storage for a loss. Claimant alleged that Respondent Sayegh manipulated her, lied to her and taken advantage of her lack of understanding of investments, which caused her to lose money in her account.

Respondent Integrated Resources Equity Corp. maintained that Respondent Sayegh carefully considered the financial circumstances and investment objectives of Claimant and her former husband, when he made any recommendations to Claimant.

Respondent Sayegh maintained that he had no knowledge of any marital problems between Claimant and her husband until he was notified by Claimant that she was planning a divorce and wanted to re-register her Putnam Account from a joint account to an individual. Respondent Sayegh further maintained that he never held himself out to be an expert in any area of investments and Claimant fully understood the nature of her investments and any risk associated with them.

RELIEF REQUESTED

Claimant requested: \$6,500.00 in compensatory damages plus interest.

Respondent requested all claims be dismissed.

AWARD

1. Respondent Integrated Resources Equity, be and hereby is liable and shall pay the Claimant Sontz the sum of \$2,167.00 inclusive of interest.
2. Respondent Stephen Sayegh be and hereby is liable and shall pay Claimant the sum of \$1,083 inclusive of interest.
3. Each party shall bear their own costs.
4. Respondent Integrated Resources Equity & Stephen Sayegh be and hereby are liable, jointly and severally, and shall pay Claimant the sum of \$100.00 to represent filing fees.

FORUM FEES

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed.

1 session x \$200.00 = \$200.00 less \$200.00 hearing session deposit = \$0.00 net due.

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

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

ARBITRATOR'S SIGNATURE

Melvin Lyon
Melvin Lyon
Public Arbitrator

Date of Decision: December 3, 1993

STATE OF: New Jersey

SS:

COUNTY OF: Passaic

On this 29 day of NOV., 1993, before me personally appeared **Melvin Lyon** 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.

Anuradha Angara
ANURADHA ANGARA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 01, 1996