

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Sam Adler

93-00977

Name of Respondents

Aleksandr Shvarts  
Leonard M. Kamerman  
American Bond Group, Inc.

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REPRESENTATION

For Claimant Sam Adler ("Claimant"): Kenneth Choy, Esq., a sole practitioner.

Respondents American Bond Group, Inc. ("ABG"), Leonard Kamerman ("Kamerman"), and Aleksandr Shvarts ("Shvarts") were not represented by counsel nor did they appear at the hearing.

CASE INFORMATION

Statement of Claim filed: March 12, 1993.

Claimant's Submission Agreement signed on: March 9, 1993.

As required, pursuant to Section 25 of the Code of Arbitration Procedure, ("Code"), Respondents did not file a Statement of Answer nor a Submission Agreement.

HEARING INFORMATION

Hearing Date/Session:

September 3, 1993/1 session.

Hearing Location:

NASD, New York, New York

CASE SUMMARY

Claimant alleged he bought shares of Fonic on August 6, 1992 through

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Respondent ABG which acted as principal for its own account and as market maker. Claimant alleged Respondent Kamerman was the individual who handled the trade and who confirmed the execution of the purchase during the same call.

Claimant alleged Kamerman called him approximately two months later and urged him to buy more Fonic stock and arranged for Claimant to start a rollover IRA account which Claimant funded by purchasing shares of Fonic. Claimant alleged that order was also confirmed during the same call.

Claimant alleged he phoned Kamerman approximately one month later and instructed him to sell at market price and then received two letters from ABG confirming the trade. Claimant alleged the market price at the time he issued his sell order was \$12.75 and he alleged that ABG should have sold the stock at that price and did not execute his order in a timely fashion.

Claimant alleged he demanded Kamerman adjust his account, whereby Kamerman suggested he call Respondent Shvarts, President of ABG. Claimant alleged he told Shvarts the facts but Shvarts did not get back to him. Claimant alleged he wrote to Shvarts and Kamerman and that Kamerman stated he discussed the matter with Shvarts and admitted fault and that ABG would adjust the price of the stock. Claimant alleged he sent Kamerman a letter confirming that conversation but he never received the adjusted amount. Claimant alleged he attempted to speak with Shvarts again but was not successful and that his account was not adjusted.

Respondents did not submit a Statement of Answer, nor present any defenses at the hearing.

#### **RELIEF REQUESTED**

Claimant requested: actual damages in the amount of \$1,738.19, plus interest; costs and attorneys' fees.

Respondents did not make any formal relief request.

#### **OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

1. In accordance with Section 25 of the Code, Respondents were served with

the Statement of Claim and given an opportunity to respond which they failed to do;

2. In accordance with Section 21 and Section 26 of the Code, Respondents were given due notice of the hearing procedures by regular and certified mail and failed to appear at the hearing session;
3. In accordance with Section 29 of the Code, the arbitrator determined in light of the foregoing information to proceed with the Respondents as parties;
4. Pursuant to the by-laws of the NASD, the arbitrator has determined that Respondents were required to submit to this arbitration and, therefore, were bound by this arbitrator's rulings and determinations;
5. Claimant settled his claims against Respondent Kamerman prior to the hearing.

#### **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. Respondents American Bond Group, Inc. and Aleksandr Shvarts are hereby liable, jointly and severally, and shall pay to Claimant the sum of \$894.63, inclusive of interest;
2. All other claims are denied;
3. Each party shall bear its own costs, including attorneys' fees, except that Respondents American Bond Group and Aleksandr Shvarts are hereby liable and shall pay to Claimant the sum of \$50.00. This amount represents the \$25.00 non-refundable filing fee and \$25.00 hearing session deposit previously paid by Claimant to the NASD.

#### **FORUM FEES**

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$25.00 non-refundable filing fee previously paid by Claimant and the following Forum Fees are assessed.

1 session X \$25.00 = \$25.00 minus Claimant's hearing session deposit of \$25.00

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retained by the NASD = net \$0.00 due.

Arbitrator's Signature

A handwritten signature in cursive script, reading "Oscar W. Nestor". The signature is written in dark ink and is positioned above a horizontal line.

Oscar W. Nestor/Public Arbitrator

STATE OF NY  
COUNTY OF NY

On this 14<sup>th</sup> day of Sept., 1993, before me personally appeared Oscar W. Nestor known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that she/he executed the same.

Lawrence Cooperman

LAWRENCE COOPERMAN  
Notary Public, State of New York  
No. 4965115  
Qualified in Suffolk County 94  
Commission Expires April 16, 19...