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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Jerry Wong  
H. Lann Wong

v.

NASD Arbitration  
No.93-02089

Name of Respondents

Donald & Co. Securities, Inc.  
Robert Harris

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REPRESENTATION

For Claimants: Michael Huberman, Esq. and Jeff Ferentz, Esq. - Greenbaum and  
Ferentz - Newport Beach, California

For Respondents: Kenneth A. Elan, Esq. - New York, New York

CASE INFORMATION

Statement of Claim filed: May 5, 1993

Submission Agreement signed by Claimant Jerry Wong on May 11, 1993

Submission Agreement signed by Claimant H. Lann Wong on June 7, 1993

Joint Statement of Answer filed by Respondents: August 20, 1993

Respondents' Submission Agreements signed: August 19, 1993

HEARING INFORMATION

Hearing Dates / Sessions: August 17, 1994 - Two Sessions  
August 18, 1994 - Two Sessions  
November 3, 1994 - Two Sessions  
November 4, 1994 - Two Sessions

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Hearing Location: Los Angeles, California

### CASE SUMMARY

Claimant, Jerry Wong (Wong) alleged that he opened two accounts with Respondent, Donald & Co., through their employee Robert Harris (Harris). One account was in his name only and the other was joint with his mother, H. Lann Wong. Claimant claims that the Respondents made unsuitable recommendations in high risk stocks for both accounts and used margin to continue said pattern of unsuitable trading.

Respondents, answering jointly, claim that Wong was at all times aware of the risks involved in buying and selling the particular securities purchased and sold in the accounts. Respondents also alleged that Wong was told of price fluctuations particularly in high risk high return and securities and the general risks associated with margin trading.

### RELIEF REQUESTED

Claimant seeks to recover out-of-pocket losses from unsuitable investments in the amount of \$210,000.00, interest, punitive damages, damages for violation of the California Elder Abuse Act, commission and fees in an amount to be determined, costs and attorney's fees.

Respondents seek dismissal of the claim in its entirety, costs and attorney's fees.

### OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

On the third day of the hearing the Claimant made a motion to amend his claim by adding Steven Blum, President of Donald & Co. Securities, Inc., as a named respondent. After hearing arguments on the motion the panel determined that the motion to amend was untimely and for that and other reasons, it was denied.

### AWARD

1. Respondents, Donald & Co. Securities Inc. and Robert Harris, are jointly and severally liable and shall pay to Claimants, Jerry Wong and H. Lann Wong, the sum of Seventy-Four Thousand, Five Hundred Dollars and No Cents (\$74,500.00), which Award is all-inclusive of the various claimed amounts. The Award shall bear interest at 10% if not paid within 60 day of service of this Award.

2. The parties shall each bear their respective costs and fees, including attorneys' fees.

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3. The NASD shall retain all fees and deposits:

**FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure,

No additional forum fees were assessed.

**ARBITRATORS**

Name ..... Public / Industry

Thomas M. Adams

Public Arbitrator

Willard P. Hovey, Jr.

Public Arbitrator

Robert B. Dunlap

Industry Arbitrator

**Concurring Arbitrators' Signatures**

Thomas M. Adams

Thomas M. Adams

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Willard P. Hovey, Jr.

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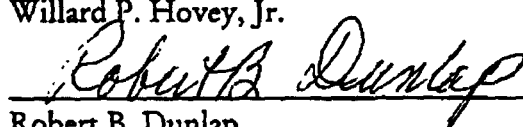
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