

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Harris V. Evans, Jr.

93-02464

Name of Respondent(s)

TAW Securities, Inc.
Thaddeus A. Wier, Jr.
Timothy T. Kraska

REPRESENTATION

For Claimant: E. Michael Semple, Anthony P. Diamond, of Counsel, Hamburg, NY.

For Respondents TAW Securities, Inc. and Thaddeus A. Wier, Jr.: Edwin A. Zipf, Esq. of the law firm of Bressler Amery & Ross, Morristown, NJ.

The Respondent Timothy T. Kraska appeared pro se.

CASE INFORMATION

Statement of Claim filed: June 21, 1993.

Claimant's Submission Agreement signed on: May 17, 1993.

Joint Statement of Answer filed by Respondents TAW Securities, Inc. and Thaddeus Wier, Jr. on: December 27, 1993.

Respondent TAW Securities, Inc.'s Submission Agreement signed on: February 1, 1994.

Respondent Thaddeus Wier, Jr.'s Submission Agreement signed on: February 1, 1994.

Respondent Timothy T. Kraska's Statement of Answer filed on: December 3, 1993.

Respondent Timothy T. Kraska's Submission Agreement signed on: November 29, 1993.

HEARING INFORMATION

Hearing Date/Sessions: August 24, 1994 2 sessions

Hearing Location: Holiday Inn, Buffalo, NY

CASE SUMMARY

Claimant alleged that the Respondents invested his funds unwisely and against his instructions, namely, Respondents invested his funds in highly volatile and risky warrants, Universal Capital, Inc. ("Universal Capital"), which are now worthless. Claimant further alleged a conflict of interest existed between TAW Securities, Inc. and Universal Capital which was not disclosed to him.

Respondent TAW Securities, Inc. and Thaddeus Wier, Jr. maintained the Statement of Claim does not contain any allegations against Mr. Weir and should accordingly be dismissed as to him individually. Respondents TAW Securities, Inc. and Thaddeus A. Weir further maintained the transaction in Universal Capital complained of was reviewed with and authorized by Claimant prior to execution. Respondents TAW Securities, Inc. and Thaddeus Wier, Jr. further maintained the risks associated with the transaction were discussed with, recognized and acknowledged by Claimant prior to the trade and Claimant's attempt to now rescind the purchase runs contrary to his instructions and expressed objectives which were long-term growth with risk.

Respondent Timothy Kraska maintained the Claimant agreed to invest in a more aggressive investment than he was presently in with a greater rate of return on his money and at the time of purchase, he understood the speculative nature of the investment. Respondent Timothy Kraska further maintained the Claimant was obviously happy with his investments as he wanted to invest additional funds with Mr. Kraska, possibly increasing his possession in Universal Capital. Respondent Timothy T. Kraska further maintained he fully disclosed to the Claimant all information regarding Universal Capital, including its assets and associations.

RELIEF REQUESTED

Claimant requested damages of \$14,646.95 together with interest and expenses from the date of initial investment of February 26, 1991. The Claimant further requested that the Respondent pay all reasonable legal fees expended in pursuit of the claim.

Respondent TAW Securities, Inc. and Thaddeus Wier, Jr. requested that the Statement of Claim be dismissed with prejudice and that the costs associated with the arbitration, including reasonable attorneys' fees, be assessed against the Claimant.

Respondent Timothy Kraska requested a dismissal of all claims against him.

AWARD

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

1. During the hearing the arbitration panel was informed that the Claimant was withdrawing with prejudice all claims against Respondent Thaddeus A. Wier, Jr.
2. The Respondent TAW Securities, Inc. be and hereby is liable and shall pay to the Claimant the sum of \$10,964.00 plus simple interest at the rate of 4% per annum from February 26, 1991 until August 24, 1994 for a total of \$12,597.00.
3. The Respondent Timothy A. Kraska be and hereby is liable and shall pay to the Claimant the sum of \$1,218.00 plus simple interest at the rate of 4% per annum from February 26, 1991 until August 24, 1994 for a total sum of \$1,399.00.
4. The Respondent TAW Securities, Inc. be and hereby is liable and shall reimburse the Claimant the sum of \$500.00 representing the claim filing fee and hearing session deposit previously paid by the Claimant to the NASD.
5. Each party shall bear their other respective costs including attorneys' fees.

FORUM FEES

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

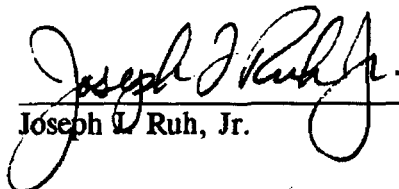
5 sessions x \$400.00 = \$2,000.00 minus Claimant's hearing session deposit (\$400.00) = net \$1,600.00 due.

Forum Fees Assessed Against:

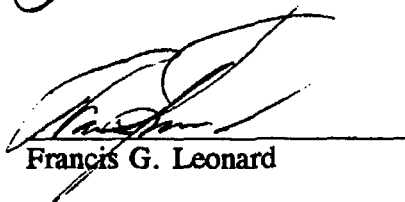
The Respondent TAW Securities, Inc. be and hereby is liable and shall pay to the NASD the sum of \$1,600.00 representing the balance of the forum fees.

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

ARBITRATORS' SIGNATURE


Joseph L. Ruh, Jr.

Public


Francis G. Leonard

Industry


Michael Weitzman

Public

Date of Decision: October 31, 1994

STATE OF: *New York*
COUNTY OF: *MONROE*

SS:

On this *18th* day of *OCTOBER*, 1994, before me personally appeared Joseph J. Ruh, Jr. 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.

Holly L. Hennen

HOLLY L. HENCHEN
Notary Public in the State of New York
MONROE COUNTY
Commission Expires Feb. 28, 19*96*

STATE OF:
COUNTY OF:

SS:

On this *27* day of *October*, 1994, before me personally appeared Francis G. Leonard 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.

Paula M. Mumm

PAULA M. MUMM
Notary Public, State of New York
Qualified in Erie County
My Commission Expires *4-18*, 19*96*

STATE OF: *New York*
COUNTY OF: *Saratoga*

SS:

On this *25th* day of *October*, 1994, before me personally appeared Michael Weitzman known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that the executed the same.

Bliss L. Albrecht

BLISS L. ALBRECHT
Notary Public, State of New York
Qualified in Saratoga County
My Commission Expires Nov. 30, 19*94*
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