

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Honey Levinson

Case #
93-02626

vs.

Name of Respondents

Eric D. Emanuel
Emanuel & Co.

REPRESENTATION

Claimant, Honey Levinson, was not represented by counsel but was assisted by her husband, Mr. Levinson.

Respondent, Eric D. Emanuel ("Emanuel") and Emanuel & Co., (collectively Respondents), Axel D. Mehrle employed by Emanuel & Co.

CASE INFORMATION

Statement of Claim was filed on July 2, 1993.

Claimant's Submission Agreement was signed on June 28, 1993.

Joint Statement of Answer was filed by Respondents on September 24, 1993.

Emanuel's Submission Agreement was signed on September 23, 1993.

Emanuel & Co. did not execute a Submission Agreement.

HEARING INFORMATION

Hearing Date/Hearing Sessions: April 12, 1994 - 2 Sessions.

Hearing Location: National Association of Securities Dealers, Inc., offices located in New York, New York.

CASE SUMMARY

Claimant alleges that she purchased NYC and MAC NY bonds from Respondents. Claimant also alleges that when Emanuel informed her that the MAC NY bonds called, she told Emanuel that she wanted to reinvest her funds in a similar, conservative and secure dividend-paying investment. Claimant states that Emanuel recommended that she purchase Autospa/Automalls Inc. Series A 15% First Mortgage Bonds due 12-1-99. Claimant further alleges that these bonds were speculative in nature because the company had no operation history and had a series of defaults or regulatory failures prior to the date of purchase.

Claimant contends that Emanuel violated NASD Rules of Fair Practice and that his failure to inform her of the company's problem amounted to fraud under the Federal Securities Laws and Common Laws of New York State. Claimant also contends that Emanuel & Company failed to inform her that Emanuel & Co. was an underwriter and failed to provide her with a prospectus.

Respondents deny any wrongdoing and deny liability. Respondents maintain that the purchase of Auto Spa/Automalls, Inc., was consistent with Claimant's investment objective for maximum income and conformed with the risks factors similar to the NYC Bonds which she had purchased. Respondents also maintain that the investment was not speculative in nature. Respondents further maintains that the allegations made by Claimant were not known to Respondent at the time they recommended the investment to Claimant, but they became known when Respondents initiated a law suit against the Bond Trustees.

Respondents state that they complied with all regulatory rules and that the NASD, after reviewing this matter, did not, take any actions against Respondents. Respondents also states that they sustained damages for in excess of Claimant's damages for which they have not been reimbursed.

RELIEF REQUESTED

Claimant requests an award of \$27,100.00 in actual damages, \$30,000.00 for loss of interest and cost of this arbitration.

Respondents request that this claim be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

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

Although the investment at issue was unsuitable for Claimant at the time of the purchase, Claimant failed to make sufficient inquiry about the investment. The Panel does not believe that there was an intent on the part of the Respondents to take advantage of Claimant.

1. All claims against Eric Emanuel are dismissed in their entirety.
2. Emanuel & Co., is hereby liable and shall pay Claimant TEN THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS (\$10,500.00).
3. The claim for attorney's fees is denied.

FORUM FEES

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

Non-refundable Filing Fee:	\$100.00
Hearing Session Fees:	\$800.00 (2 Sessions X \$400.00 = \$800.00)
Total Forum fees	\$900.00

1. Claimant is assessed a non-refundable filing fee in the amount of ONE HUNDRED DOLLARS AND NO CENTS (\$100.00).
2. Claimant is further assessed FOUR HUNDRED DOLLARS AND NO CENTS (\$400.00) in forum fees. Claimant previously paid FIVE HUNDRED DOLLARS AND NO CENTS (\$500.00) which shall be credited to the fees assessed.

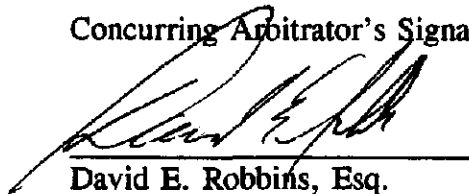
3. Respondents Emanuel & Co. is assessed FOUR HUNDRED DOLLARS AND NO CENTS (\$400.00) in forum fees.

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

ARBITRATION PANEL

David E. Robbins, Esq.	-	Public Chairperson
Melvin Lyon	-	Public Panelist
Theodore Moreines	-	Industry Panelist

Concurring Arbitrator's Signature


David E. Robbins, Esq.

Executed on:

~~Date of Decision:~~

5/10/94

Date of Decision: May 19, 1994

STATE OF NEW YORK
COUNTY OF

S.S.:

On this 10th day of May, 1994, before me personally appeared DAVID E. ROBBINS, ESQ., known to 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
Notary Public, State of New York
No. 41-4901492
Qualified in Queens County
Commission Expires July 20, 1995

3. Respondents Emanuel & Co. is assessed **FOUR HUNDRED DOLLARS AND NO CENTS (\$400.00)** in forum fees.

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

ARBITRATION PANEL

David E. Robbins, Esq.	-	Public Chairperson
Melvin Lyon	-	Public Panelist
Theodore Moreines	-	Industry Panelist

CONCURRING

(Pm) ~~Dismissing~~ Arbitrator's Signature

Theodore Moreines

Theodore Moreines

Industry Arbitrator

Executed on:

~~Date of Decision:~~

5/13/94

Date of Decision: May 19, 1994

STATE OF NEW YORK
COUNTY OF

S.S.:

On this 13 day of May, 1994, before me personally appeared **THEODORE MOREINES**, 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.

Donna L. Moran

DONNA L. MORAN
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES OCT. 23, 1997

3. Respondents Emanuel & Co. is assessed FOUR HUNDRED DOLLARS AND NO CENTS (\$400.00) in forum fees.

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

ARBITRATION PANEL

David E. Robbins, Esq.	-	Public Chairperson
Melvin Lyon	-	Public Panelist
Theodore Moreines	-	Industry Panelist

Concurring Arbitrator's Signature

Melvin Lyon
Melvin Lyon

Date of Decision: May 19, 1994

STATE OF NEW YORK
COUNTY OF

s.s.:

On this 18 day of May, 1994, before me personally appeared MELVIN LYON, 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.

Deborah A. DeJesus

DEBORAH A. DEJESUS
Notary Public, State of New York
No. 02DE5022979
Qualified in New York County
Commission Expires January 24, 1996