

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Michael A. Perlas

93-03613

Name of Respondents

Paragon Capital Corporation
Franklin D. Jolliff
Michele D. Wessel

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 15, 1993, Claimant Michael Perlas, who appeared Pro Se, alleged that Respondent Franklin D. Jolliff, of the Respondent firm Paragon Capital Corporation, made misrepresentations to him regarding Teletek stock, and that due to these misrepresentations, he was convinced to purchase 10,000 shares of the stock which immediately began to decline in value. The Claimant further alleged that Respondent Franklin D. Jolliff gave him verbal assurances that "New York" had all current financials on the stock and that there was no reason for concern. Claimant Michael Perlas contended that the Respondents' handling of this matter has been deplorable, that he was given false and misleading information to get him to buy the stock, but then no reasonable effort was made to get actual facts when the stock started to decline, affording him no opportunity to sell at a smaller loss than the subsequent \$.13 price. Claimant Michael Perlas further contended that he suffered damages due to the wrongdoing of the Respondents, and that therefore, they should be held liable in this matter.

Respondents Paragon Capital Corporation, Franklin D. Jolliff and Michele D. Wessel, through in-house Representative, Frank Argenziano, CFO, maintained that the Claimant has not shown that the firm or its employees acted improperly, that the Claimant himself obtained Inside Wall Street Reports and requested information concerning Teletek. The Respondents also maintained that the Claimant has not shown that any of the information given to him was inaccurate, or that different information was generally available to the public. The Respondents contended that the Claimant decided to hold his position, even after speaking to his broker at another firm, and the Respondents committed no wrongdoing and therefore the claims against them should be dismissed.

RELIEF REQUESTED

Claimant Michael Perlas requested \$4,695.75 in actual damages, plus \$5,000.00 in punitive damages.

Respondents Paragon Capital Corporation, Franklin D. Jolliff and Michelle Wessel requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Mario H. Barsotti, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on November 4, 1993, by Respondent Paragon Capital Corporation on January 27, 1994, by Respondent Franklin D. Jolliff on January 17, 1994 and by Respondent Michelle Wessel on January 17, 1994.

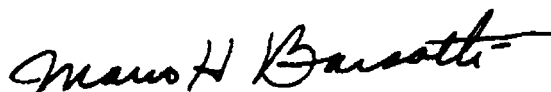
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Michael Perlas against Respondents Paragon Capital Corporation, Franklin D. Jolliff and Michelle Wessel are dismissed in their entirety.
2. The Claimant's request for punitive damages is also denied.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Paragon Capital Corporation is liable and shall pay \$75.00 to the Claimant as reimbursement of one-half of the filing fee.

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AFFIRMATION

I, **MARIO H. BARSOTTI**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

A handwritten signature in cursive script, reading "Mario H Barsotti", written in black ink.

Signature of Arbitrator

DATE OF DECISION: July 18, 1994