

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the Matter of the Arbitration Between

**RICHARD JOHNSON**

**Claimant**

**NASD Arbitration  
No. 93-04347**

**AMR I. ELGINDY**

**Respondent**

***Representation***

For Claimant: Richard Johnson of Manzanita, Oregon  
For Respondent: Amr I. Elgindy of Colleyville, Texas

***Case Information***

Statement of Claim filed: October 18, 1993

Claimant's Submission Agreement signed: October 18, 1993

Statement of Answer filed on: February 16, 1994

Respondent's Submission Agreement signed on: February 16, 1994

***Hearing Information***

Prehearing Conference Date(s)/Sessions: July 27, 1994/one

Hearing Date/Sessions: August 4, 1994/two

Hearing Location: Portland, Oregon

***Case Summary***

Claimant alleged:

Unauthorized trading, misrepresentation and lack of suitability in the purchase and sale of various securities. Claimant advised respondent, Amr Elgindy, (hereinafter, Elgindy) repeatedly that he was a conservative investor but was invested into high risk positions by

respondent. Elgindy promised to make claimant whole on losses incurred in the investments but did not. He also promised to monitor and keep claimant apprised of his positions so large losses would not be incurred, but failed to do so. Respondent further represented he would not charge claimant commissions but did.

Respondent alleged:

Claimant already had an account at Thomas James Securities when respondent took it over for another broker. Claimant's investment objective was related as serious speculation, he said he had income of \$100,000 and net worth of \$1,000,000 and was president of a successful wholesale business. Claimant was constantly trading in his account and he authorized all trades. Full disclosure was made to claimant about all investments, including the relevant risks.

### *Relief Requested*

Claimant requested:

1. Compensatory damages of \$42,195;
2. Interest.

### *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 originals remain on file with the NASD.

### *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. Respondent is liable for and shall pay claimant \$5,000;
2. The parties shall each bear their respective attorney's fees;
3. The parties shall each bear their respective costs.

### *Other Costs*

None.

### Forum Fees

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall retain the \$400 hearing session deposit previously paid by the claimant. Forum fees are assessed against:

Claimant for \$1,000, minus \$400 paid as a hearing deposit, leaving a balance due of \$600.

calculated as follows: one prehearing sessions at \$300/prehearing session, plus two hearing sessions at \$ 400/hearing session, equals \$1,100 in potential forum fees that could be assessed, minus \$400 already paid by the claimant as a hearing deposit.

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

#### Arbitration Panel

Name

Willard L. Cushing

Clyde Fahlman

Dana L. Bauer

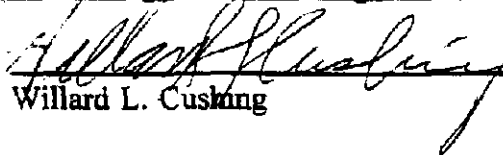
Public / Industry

Public Arbitrator

Public Arbitrator

Industry Arbitrator

#### Concurring Arbitrators' Signatures

  
Willard L. Cushing

Clyde Fahlman

Dana L. Bauer

Date of Decision:

8/4/94

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