

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

John Stoyka & Connie Stoyka, JTWROS

93-04450

Name of Respondents

Paragon Capital Corporation
Richard McGuire

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 25, 1993, Claimants John and Connie Stoyka, who appeared Pro Se, alleged that Respondents Paragon Capital Corporation and Richard McGuire had sold them 700 shares of Players International, Inc. common stock for a total price of \$3,180.00. The Claimants further alleged that Respondents Paragon Capital Corporation and Richard McGuire sold this stock from their account without their authorization, and used the proceeds to fund another unauthorized transaction, the purchase of 300 shares of Choice Drug Systems, Inc. common stock. The Claimants contended that as a result of these occurrences, they have suffered damages for which the Respondents should be held liable. In response to Respondents' answer, the Claimants contended that poor health hampered their ability to question the trades executed by the Respondents in a timely manner.

Respondent Paragon Capital Corporation, through its representative Michele D. Wessel, and Respondent Richard McGuire, who appeared Pro Se, maintained that Respondent Richard McGuire called the Claimants the day the alleged unauthorized transactions took place and received verbal authorization to execute the trades in question. Respondents maintained that a written confirmation of the trades was sent to Claimants the day following the trades in question. Respondents maintained that Claimants cashed a check which represented the exact net resulting from the buy and sell in question, without any inquiry on their part as to its origination. Respondents maintained that if there was a miscommunication between Respondent Richard McGuire and Claimants, this

could have been corrected if handled in a timely fashion. Respondents further maintained that at least two months had elapsed since the trades were executed before Claimants voiced any displeasure concerning these trades to Respondent Richard McGuire. Respondents maintained that due to the above they should not be held liable in this matter.

RELIEF REQUESTED

Claimants John and Connie Stoyka requested \$1,525.75 in actual damages.

Respondents Paragon Capital Corporation and Richard McGuire requested that the Statement of Claim be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public arbitrator, Norman Bristol, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 22, 1993, by Respondent Paragon Capital Corporation on January 19, 1994, and by Respondent Richard McGuire on January 24, 1994.

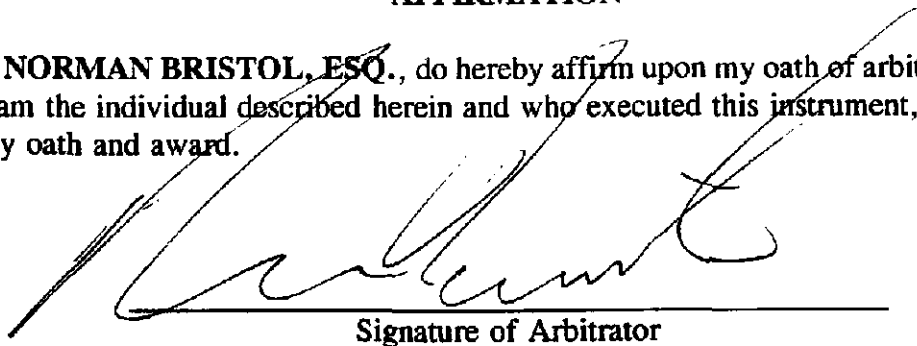
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimants John and Connie Stoyka against Respondents Paragon Capital Corporation and Richard McGuire are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc.

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AFFIRMATION

I, **NORMAN BRISTOL, ESQ.**, do hereby affirm upon my oath of 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, appearing to read 'Norman Bristol', is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: May 24, 1994