

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Paragon Capital Corp

94-01473

Name of Respondent(s)

Robert Jay Jaffe

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 19, 1994, Claimant Paragon Capital Corporation, through its representative, Michele D. Wessel, alleged that Respondent Robert Jaffe is responsible for indemnification of an Arbitration Award against it. Claimant further alleged that it employed Respondent from August 1989 through April 1992 and Respondent was named in NASD Arbitration Number 91-03696 by Karol Baron ("Baron"). Claimant contended that Respondent entered into unilateral negotiation to settle with Baron of which Claimant was not aware of until the hearing. Claimant further contended that its case was totally undermined after learning that Respondent had in fact settled; and, had they been informed of this sooner, they would have postponed their case in order to better prepare it. Claimant alleged that pursuant to the Registered Representative Compliance Agreement Respondent signed. Respondent should be held liable for its losses.

Respondent Robert J. Jaffe, through his representative, Katherine Nathan, Esq., in-house counsel for GKN Securities, Corp., maintained that Respondent informed Claimant that he had retained counsel and was under no obligation to notify claimant of the settlement; Respondent further maintained that the issue of whether his settlement has prejudiced Claimant has twice previously been determined by an arbitration panel in Respondent's favor. Respondent contended that his Registered Representative Compliance Agreement does not make him liable to Claimant as the conditions precedent for liability were not satisfied and therefore, he should not be held liable for Claimant's loss.

RELIEF REQUESTED

Claimant, Paragon Capital Corporation, requested \$4,999.00 in actual damages plus costs of \$1,350.00 and attorneys' fees of \$3,500.00.

Respondent, Robert J. Jaffe, requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Jack C. Aycock, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 27, 1994 and by the Respondent on August 12, 1994.

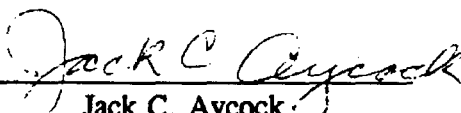
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Paragon Capital Corporation against the Respondent Robert J. Jaffe are dismissed in their entirety.
2. The parties shall bear their respective costs.

The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Paragon Capital Corporation, shall be retained by the NASD, Inc.

AFFIRMATION

I, Jack C. Aycock, 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.



Jack C. Aycock

Date of Decision:

April 24, 1995