

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Jeffrey D. Esfeld

NASD Arbitration
No. 95-01309

Name of Respondent(s)

Paragon Capital Corporation
Timothy B. Daley

REPRESENTATION

For Claimant: H. Troy Romero, Esq., Vance & Romero, P.S.,
Bellevue, Washington

For Respondents: David S. Smith, Esq., Smith Campbell & Paduano,
New York, New York

CASE INFORMATION

Statement of Claim filed: March 6, 1995

Amendment to Claim filed: June 27, 1995

Additional Submissions filed by Claimant: June 7, 1995; June 15,
1995; December 21, 1995; and April 10, 1996

Claimant's Submission Agreement signed: March 3, 1995

Joint Statement of Answer filed by Respondents: June 6, 1995

Additional Submissions filed by Respondents: June 12, 1995;
December 29, 1995; and April 9, 1996.

Respondents did not file Submission Agreements. However, they are subject to National Association of Securities Dealers, Inc. (NASD) jurisdiction in accordance with Section 12 of the NASD Code of Arbitration Procedure (Code).

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):

March 19, 1996 (one session)

CASE SUMMARY

Claimant alleged that he filed the above-captioned dispute as a result of Respondents' breaches of duty to Claimant. Claimant further alleged that Respondents failed to honor a firm sell order, failed to timely advise Claimant of the status of certain investments, and induced Claimant to purchase stock in a company which Paragon knew, or should have known, was an extremely poor company.

Respondents denied Claimant's allegations of wrongdoing and alleged that Claimant bought three different stocks in his Paragon account over a period of approximately six months, beginning in late August 1993. Respondents further alleged that Claimant realized substantial profits on sales of two of the three stocks; and as a result, Claimant enjoyed a realized profit of more than \$4,000.00 on the overall performance of the account, which began with an investment of just \$3,900.00 for 5,000 shares of Evro Financial common shares on August 27, 1993. Respondent Daley further alleged that he never failed or refused to execute any sale order by Claimant, and never made any of the alleged false representations regarding Firetector, Inc.

RELIEF REQUESTED

Claimant requested damages in the amount of \$9,999.00.

Respondents requested dismissal of Claimant's claims with prejudice, and requested such other and further relief as deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On March 19, 1996, Presiding Arbitrator, Robert M. Stein reviewed and considered the written and oral positions of counsel relative to various motions/requests. Mr. Stein denied Claimant's Motion for Default Judgment; granted Respondents' request to Supplement Answer; denied Respondents' request for an evidentiary hearing; and permitted the parties to file additional submissions/documentary evidence.

AWARD

Referencing the presiding arbitrator's ruling to permit the above-captioned matter to proceed under Section 13 of the NASD Code, and after considering the pleadings and written submissions of the parties, the presiding arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims by Claimant are dismissed.
2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code, the following forum fees are assessed: The NASD shall retain Claimant's filing fee of \$75.00, shall retain \$75.00 of Claimant's hearing session deposit as costs of this proceeding, and refund the balance of Claimant's hearing session deposit in the amount of \$250.00.

PRESIDING ARBITRATOR

<u>Name</u>	<u>Public / Industry</u>
Robert M. Stein, Esq.	Public Arbitrator

Presiding Arbitrator's Signature



Robert M. Stein, Esq.

Date served: 5/31/96

Date of Decision: 5-28-96