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9608099

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

David Bloom Family Trust;
Edith Bloom; Katie Lynn Bloom;
Dianne Bloom

9503074

Name of Respondents

M. Rimson and Co., Inc.
Moshe Rimson
James Schecktmann

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REPRESENTATION

For Claimants appeared Anthony J. Horn, Esq. of the law firm of Hwang & Associates P.C. located in Philadelphia, Pennsylvania.

Respondents did not appear at the hearing.

CASE INFORMATION

The Statement of Claim was filed on June 23, 1995. An Amended Statement of Claim was filed on February 8, 1996.

A Submission Agreement was executed on behalf of the David Bloom Family Trust's Submission Agreement by Paul S. Bloom as Trustee on May 5, 1995.

Claimant Edith Bloom's Submission Agreement was signed on August 18, 1995.

Claimant Dianne G. Bloom's Submission Agreement was signed on August 18, 1995.

Claimant Katie Lynn Bloom's Submission Agreement was signed on August 18, 1995.

Respondent M. Rimson and Co., Inc. did not file a Statement of Answer and did not execute a Submission Agreement.

Page 2
Award #95-03074

Respondent James Schecktmann did not file a Statement of Answer and did not execute a Submission Agreement.

Respondent Moshe Rimson did not file a Statement of Answer and did not execute a Submission Agreement.

Arthur Dozortsev had been named as a respondent in this matter. He was dismissed as a respondent as a result of entering into a settlement of all claims against him.

HEARING INFORMATION

Hearing Dates/Sessions: June 10, 1996 - 1 Session

The hearing was held at the Hyatt Regency located in Buffalo, New York.

C A S E - Y

Claimants alleged that they opened accounts with M. Rimson and Co., Inc. ("Rimson") on June 1, 1993 as the result of a cold call from James Schecktmann ("Schecktmann"). Specifically, the accounts involved are the accounts of Edith Bloom; David Bloom Family Trust; Diane Bloom and Katie Bloom (hereinafter referred to as the "accounts"). Claimants asserted that they deposited a total of \$69,670.00 and stated their investment objective as long term growth. Claimants alleged they followed the recommendation of Schecktmann and purchased shares of IGT and 50 shares of Jutland.

Claimants alleged they first learned of a problem when Paul Bloom called M. Rimson and Co. ("Rimson") to check on the price of Jutland and was told it was down to \$.25 per share. Paul Bloom was also told that Respondent Schecktmann was no longer employed at Rimson. Claimants alleged that Rimson and its president, Moshe Rimson, failed to take adequate steps to insure the safety of clients funds or to supervise their agents and employees. Specifically, Claimants contended that Schecktmann recommended and solicited them to engage in the trading of unsuitable securities which resulted in the loss of \$69,700.00.

Claimants alleged that after discovering the loss, Paul Bloom was contacted by Arthur Dozortsev ("Dozortsev"), a broker at Rimson and advised to buy shares of LARI, a mining stock, in order to make up for the losses incurred in Claimants accounts. Claimants alleged that Dozortsev proceeded to buy LARI without Claimants knowledge or approval.

Claimants also alleged that the funds they entrusted to M. Rimson and Co. were to be used for conservative investments, emphasizing preservation of capital and long-term capital appreciation. Claimants contended that Schecktmann failed to implement such an investment strategy and instead recommended and effected the purchase and sale of a small number of securities which were fraught with risk. Claimants further alleged that Schecktmann failed to disclose the risks

Page 3
Award #95-03074

associated with the investments which he knew or should have known existed at the time of purchase.

Respondents did not file Statements of Answer nor did they execute and file Submission Agreements.

RELIEF REQUESTED

Claimant requested the following relief:

1. \$70,000.00 in compensatory damages plus interest from the date the losses were incurred to the date of this arbitration hearing;
2. hearing fees and costs; and
3. any other relief that the panel may deem just and fair.

OTHER ISSUES CONSIDERED & DECIDED

The arbitration panel made the following rulings concerning Respondents M. Rimson & Co., Inc., Moshe Rimson, and James Schecktmann, all of which failed to file a Statement of Answer or a properly executed Submission Agreement, and who also failed to appear at the evidentiary hearing conducted in this matter:

1. Pursuant to Section 1 of the NASD Code of Arbitration Procedure, the panel found subject matter jurisdiction over this entire controversy.
2. The panel found that Respondents were members, or persons associated with members, of the NASD at the time this controversy arose. Consequently, the panel found personal jurisdiction over Respondents pursuant to Section 12 of the NASD Code of Arbitration Procedure.
3. In view of (2) above, the panel found the Respondents each were required to file with the NASD a Statement of Answer and a properly executed Submission Agreement pursuant to Section 25(b) of the NASD Code of Arbitration Procedure. In this regard, the panel found that the Statement of Claim was properly served upon the Respondents, pursuant to Section 25(a) of the Code.
4. In addition, in accordance with Sections 21, 26 and 29 of the NASD Code of Arbitration Procedure, the panel found that the NASD provided Respondents with "due notice" of the hearing conducted in this matter by regular and certified mail. The panel therefore, determined to proceed with the hearing without

Respondents **M. Rimson and Co., Inc.**, Moshe **Rimson** and James Schecktmán,
whose absence was unexcused.

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. Respondents **M. Rimson & Co., Inc.** and James Schecktmán be and hereby are liable, joint and severally, and shall pay Claimants Edith Bloom the sum of \$41,177.00, Katie Lynn Bloom the sum of \$4,737.00, Dianne Bloom the sum of \$4,737.00 and the sum of \$19,019.00 to the David Bloom Family Trust.
2. Respondents **M. Rimson & Co., Inc.** and James Schecktmán be and hereby are liable, joint and severally, and shall pay Claimants pre-judgment interest from June 15, 1994 to June 10, 1996 as follows: \$7,400.00 to Edith Bloom; \$853.00 to Katie Lynn Bloom; \$853.00 to Dianne Bloom; and \$3,434.00 to the David Bloom Family Trust.
3. All claims against respondent Moshe **Rimson** be and hereby are denied.
4. Each party shall bear their respective costs, including attorney fees, except that Respondents are liable and shall pay the Claimant the sum of \$450.00 to reimburse Claimant for filing fees deposited with the NASD.
5. All other claims be and hereby are denied.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$150.00 non-refundable filing fee previously deposited by Claimant and have assessed the following forum fees:

1 Session x \$500.00 = \$500.00

Respondents be and hereby are liable for the sum of \$500.00 representing the total amount of forum fees assessed. , Claimant previously deposited a hearing session deposit in the amount of \$450.00. Therefore, the respondents shall pay the sum of \$50.00 to the NASD and shall reimburse Claimant the sum of \$450.00.

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

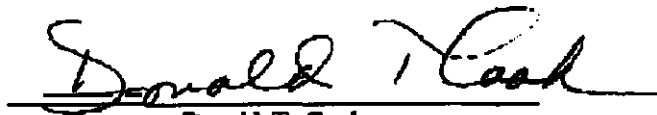
Page 5
Award #95-03074

ARBITRATORS' SIGNATURES



Donald T. Cook
Public Chairperson

I, DONALD T. COOK, do hereby affirm pursuant to Article 7507 of the Civil Practice Law & Rules that this is my decision in the above-captioned matter.



Donald T. Cook

Date of Decision: August 12, 1996

Page 5
Award #95-03074

ARBITRATORS' SIGNATURES

Paul L. Parshall
Industry Arbitrator

I, PAUL L. PARSHALL, do hereby affirm pursuant to Article 7507 of the Civil Practice Law & Rules that this is my decision in the above-captioned matter.



Paul L. Parshall

Date of Decision: August 12, 1996

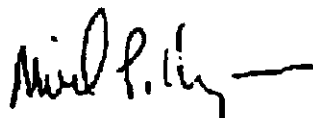
Page 5
Award#93-03074

ARBITRATORS' SIGNATURES



Michael P. Hennigan
Industry Arbitrator

I, **MICHAEL P. HENNIGAN**, do hereby affirm pursuant to Article 7507 of the Civil Practice Law & Rules that this is my decision in the above-captioned matter.



Michael P. Hennigan

Date of Decision: August 12, 1996