

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Steven K. Lee

95-03955

Name of Respondents

Kerry S. Brecker
Howard Gelfand

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 16, 1995, Claimant Steven K. Lee ("Claimant"), who appeared Pro Se, alleged that in May of 1995, Gregory Welch ("Welch") of Stratton Oakmont ("SO"), contacted him via telephone and solicited his business. Claimant further alleged that over several calls he opened an account and purchased 100 shares of Quaker Oats because he thought it to be a good long term investment. Claimant contended that shortly thereafter Respondent Kerry S. Brecker ("Brecker"), made contact and told him he was now in charge of his SO account and recommended that he buy shares of Czech-Industries, Inc. ("CII") Claimant further contended that he conducted some research and was informed by an associate not to engage in business activities with SO and which time he ceased communication with SO and its representatives. Claimant alleged that on June 13, 1995, Brecker informed him he had made \$70,000.00 on a CII investment and to immediately send in \$100,000.00. Claimant further alleged that he protested this unauthorized transaction and informed Brecker he would be transferring his Quaker Oats shares to Prudential Securities. Claimant contended that Brecker sold these shares unauthorized. Claimant further contended that he contacted Respondent Howard Gelfand ("Gelfand"), to complain but that he would not return his phone calls. Claimant alleged that as a result of the above, he has suffered a loss for which the Respondents should be held liable.

Respondents Kerry S. Brecker and Howard Gelfand, through their representative, Andrew F. Greitz, Jr., Esq., of Wexler & Burkhart, P.C., located in Mitchell Field, NY, maintained that all the transactions which occurred in Claimant's account were authorized. Respondents further maintained that Claimant has not set forth the wrongs or circumstances so that Respondents have adequate and meaningful notice of the claim. Respondents contended that the recommendations were reasonably based and suitable based on Claimants stated investment objectives. Respondents further contended that at all times the activities were properly supervised. Respondents maintained that Claimant ratified the transactions because of his failure to timely object to the trades. Respondents further denied all the allegations in the statement of claim, and as a result of the above, contended that they should not be held liable.

RELIEF REQUESTED

Claimant Steven K. Lee, requested \$3,475.50 in actual damages.

Respondents Kerry S. Brecker and Howard Gelfand, requested that the claims of the Claimant be dismissed.

AWARD

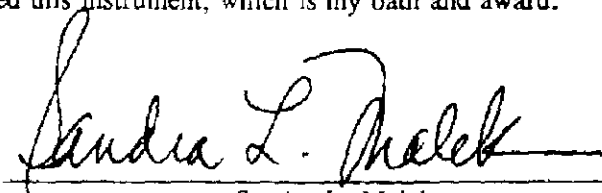
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Sandra L. Malek, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Steven K. Lee, on August 9, 1995, and by the Respondent Kerry S. Brecker, on September 6, 1995, and by Respondent Howard Gelfand, on September 7, 1995.

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 Respondents Kerry S. Brecker and Howard Gelfand, are jointly and severally liable and shall pay the Claimant Steven K. Lee, \$3,475.50. in actual damages.
2. The Respondents Kerry S. Brecker and Howard Gelfand, are jointly and severally liable and shall pay the Claimant Steven K. Lee, simple interest at the rate of 10% per annum from June 21, 1995 to date of payment of the award.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Steven K. Lee, shall be retained by the NASD, Inc. The Respondents Kerry S. Brecker and Howard Gelfand, shall pay the Claimant Steven K. Lee, \$125.00 as reimbursement of the filing fee.
4. All other relief requests are denied.

AFFIRMATION

I, **SANDRA L. MALEK**, 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.



Sandra L. Malek

DATE OF DECISION: March 5, 1996