

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Meir Padel

95-04704

Name of Respondent(s)

Eric Ellenhorn

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 4, 1995 Claimant Meir Padel, through his counsel, Ron Z. Ofek, Esq., New York, NY, alleged that Respondent Eric Ellenhorn of Westfield Financial Corp. used persistent and aggressive sales tactics to convince him to purchase Alpha Hospitality stock, United Vision Group and Pharma Patch, leading Claimant to believe these investments were free of risk. The Claimant further alleged that these recommendations violated Section 2 of Article III of the Rules of Fair Practice in that Claimant was in need of conservative investments, but instead Respondent Eric Ellenhorn recommended highly speculative IPO investments. The Claimant asserted that Respondent convinced Claimant that he had to purchase additional shares of each of the investment at the first trade on the open market. Claimant Padel also alleged that Respondent Ellenhorn made optimistic forecasts with regard to these investments, and he relied on these representations, and consequently did not sell his stock. The Claimant contended that due to the wrongdoing of the Respondent, he has suffered damages for which Respondent Eric Ellenhorn should be held liable.

Respondent Eric Ellenhorn, through his representative and counsel, Stuart Halper, Esq., Briarcliff Manor, NY, maintained that prior to executing any transactions for the Claimant, he was informed of the nature of each investment and he was sent a prospectus for each investment, which bear warnings as to the risky nature of the investments in question. The Respondent also maintained that at no time did he require Claimant to purchase additional shares of stock on the open market, nor did he fail to execute any sell orders by Claimant. Respondent Eric Ellenhorn maintained that he committed no wrongdoing, and therefore the claims against him should be dismissed.

**RELIEF REQUESTED**

Claimant Meir Padel requested \$10,000.00 in actual damages.

Respondent Eric Ellenhorn 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, Marc Ripp, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 20, 1995 and by the Respondent Eric Ellenhorn on January 31, 1996.

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 Meir Padel against Respondent Eric Ellenhorn are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

STATE OF New Jersey

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} SS:

COUNTY OF Essex

I, Thomas L. R. Esq., 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.

Thomas L. R. Esq.  
Signature of Arbitrator

DATE OF DECISION:

April 26, 1996