

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Phil L. and Pat Huddleston

95-04960

Name of Respondents

Investors Associates, Inc.  
Tom Marinovich, Sr.  
James Cassidy

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 20, 1995, Claimants Phil L. and Pat Huddleston ("Claimants"), who appeared Pro Se, alleged that Respondents Investors Associates, Inc. ("Investors"), Tom Marinovich, Sr. ("Marinovich"), and James Cassidy ("Cassidy"), made unauthorized trades in their account. Claimants further alleged that Cassidy promised to purchase at the IPO opening 1,000 shares of Interiors Common at \$5.00 a share when he was aware that Texas (the State that Claimants reside) was not blue skyed for the IPO trade, and then made an unauthorized buy of Interiors Warrants at a price he inflated by 5%. Claimants asserted that their attempts to get their initial investment back from the company, once they knew of the unauthorized trade, were unsuccessful. Claimants further asserted that Marinovich, in his official capacity condoned, approved, encouraged, rewarded and then attempted to cover up and legitimize the illegal action of employee Cassidy who was a scam artist. Claimants contended that as a result of the above, they suffered a loss for which Respondents should be held liable.

Respondents Investors Associates, Inc. ("Investors"), Tom Marinovich, Sr. ("Marinovich"), and James Cassidy ("Cassidy"), through their representative, M. David Sayid, Esq., located in Hackensack, New Jersey, maintained that Claimants were knowledgeable individuals about the securities market who wanted to buy Interiors in the IPO market because they thought that it was the best place to make a "quick buck." Respondents further maintained that Cassidy informed them that the Warrants can also make a "quick buck" because they are cheaper and have the ability to rise in value. Respondents contended that Claimants immediately after Cassidy's presentation stated that he buy the Interior Warrants for them because they believed that Texas was not blue skyed and therefore, Interior can only be bought in the aftermarket. Respondents further contended that Cassidy purchased the Warrants in accordance with Claimants wishes, but believed that as sophisticated individuals they attempted to recoup losses caused by their own volition. Respondents maintained that customarily, the customers would not moan about the 5% commissions, unless they knew the trade and, therefore Claimants have fabricated their story. Respondents further maintained that they committed no wrongdoing and, they should not be held liable in this matter.

**RELIEF REQUESTED**

Claimants Phil L. and Pat Huddleston, requested \$5,000.00 in actual damages.

Respondents Investors Associates, Inc., Tom Marinovich Sr., and James Cassidy, requested that the claims of the Claimants be dismissed.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Joe B. Abbey, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Phil L. and Pat Huddleston on October 13, 1995 and by the Respondents Investors Associates, Inc., on December 22, 1995, but not by Respondents Tom Marinovich, Sr. and James Cassidy as required by Section 8 and 10 of the NASD Code of Arbitration Procedure.

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. Respondents Investors Associates, Inc., Tom Marinovich Sr., and James Cassidy are jointly and severally liable and shall pay to the Claimants Phil L. and Pat Huddleston \$5,000.00 in actual damages.
2. Respondents Investors Associates, Inc., Tom Marinovich Sr., and James Cassidy are jointly and severally liable and shall pay to the Claimants Phil L. and Pat Huddleston a simple interest rate of 10% per annum for October 2, 1995 to the date of the payment of the award.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. Respondents Investors Associates, Inc., Tom Marinovich Sr., and James Cassidy are liable and shall pay to the Claimants \$150.00 as reimbursement of the filing fee.


Affirmation

STATE OF

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COUNTY OF

I, Joe B. Abbey, do hereby affirm upon my oath  
as arbitrator that I am the individual described in and who executed this instrument,  
which is my oath and award.

  
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Signature of Arbitrator