

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Ruth W. Rosenfield

95-05501

Name of Respondents

A.J. Michaels & Co., Ltd.
Andre Korogodon
Robert Murphy

REPRESENTATION

For Claimant Ruth W. Rosenfield ("Claimant") appeared Louis W. Bauman, Esq., of the law firm of Mazzanti, Maron & Bauman, LLP located in Scarsdale, New York.

For Respondents A.J. Michaels & Co., Ltd., Andre Korogodon and Robert Murphy ("Respondents") appeared John E. Lawlor, Esq., located in Mineola, New York.

CASE INFORMATION

A Statement of Claim was filed on November 10, 1995.

Claimant's Submission Agreement was signed on November 16, 1995.

A Joint Statement of Answer was filed by Respondents A.J. Michaels & Co., Ltd., Andre Korogodon and Robert Murphy on February 6, 1996.

Respondent A.J. Michaels & Co., Ltd.'s Submission Agreement was signed on February 6, 1996.

Respondent Andre Korogodon's Submission Agreement was signed on February 4, 1996.

Respondent Robert Murphy's Submission Agreement was signed on February 6, 1996.

HEARING INFORMATION

Hearing Dates/Sessions:	December 3, 1996	-	1 Session
	January 27, 1997	-	2 Sessions

The hearing was held at the Midday Club, 140 Broadway, 50th floor, located in New York City, New York.

CASE SUMMARY

Claimant contended that on March 4, 1995 Robert Murphy of A.J. Michaels & Co., Ltd. came to her home and pressured her into investing \$20,000.00 into UTS - International WTR & BEV COZ & 1W1994 ("1BEV"). Claimant further contended that she made it clear she did not want to speculate and

that Murphy assured her it was a safe investment. According to Claimant the investment was worthless within a few months.

Respondents denied that they pressured claimant into investing in "1BEV". They stated that Murphy and Korogodon provided Claimant with investment services from as early as July 1993 and executed a number of her orders. According to respondents, claimant requested a speculative investment for a portion of her portfolio and they recommended 1BEV as having a potential for substantial appreciation. Respondents claimed claimant made a \$20,000.00 investment without any pressure, representing approximately 4% of her net worth. Respondents maintained that Claimant represented she had an annual net income of between \$50,000.0 and \$100,000.0, a net worth in excess of \$500,000.00 and listed her investment objectives as speculation, income and growth.

Respondents asserted assumption of risk and that claimant is a sophisticated investor as affirmative defenses.

RELIEF REQUESTED

Claimant requested \$20,000.00 plus interest, costs, arbitration fees and attorneys' fees.

Respondents requested an award dismissing the Statement of Claim in its entirety with costs and disbursements.

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. Claimant's claims are hereby denied in their entirety.
2. Each party shall bear its own costs, including attorneys' fees.

FORUM FEES

The arbitrators have determined that NASD Regulation shall retain the \$100.00 non-refundable filing fee previously submitted by Claimant and have assessed the following forum fees:

$$3 \text{ hearing sessions} \times \$400.00 = \$1,200.00$$

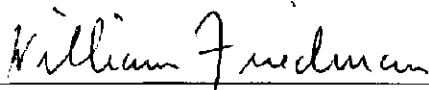
The arbitrators have assessed 50% of the total forum fees against Claimant and 50% against Respondents jointly and severally.

Therefore, Claimant be and hereby is liable and shall pay to NASD Regulation the sum of \$600.00 less hearing session deposit of \$400.00, net \$200.00 due.

Therefore, Respondents A.J. Michaels & Co., Ltd., Andre Korogodon and Robert Murphy are jointly and severally liable and shall pay to NASD Regulation the sum of \$600.00.

Fees are payable to NASD Regulation, Inc.

ARBITRATOR'S SIGNATURE



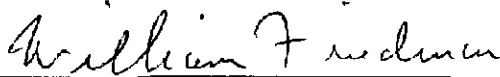
William Friedman, Esq.
Public Chairperson

Date of Decision 3/7/97

Pamela H. Roderick
Public arbitrator

Joseph D. Koziol
Industry arbitrator

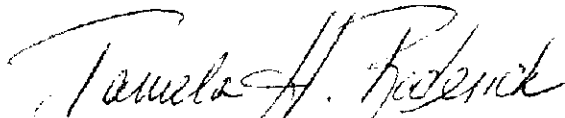
I, **William Friedman, Esq.**, do hereby affirm pursuant to Article 7507 of the Civil Procedure Law and Rules, that this is my decision in the above-captioned matter.



William Friedman, Esq.

ARBITRATOR'S SIGNATURE

William Friedman, Esq.
Public Chairperson



Pamela H. Roderick
Public arbitrator

Date of Decision 3/7/97

Joseph D. Koziol
Industry arbitrator

I, **Pamela H. Roderick**, do hereby affirm pursuant to Article 7507 of the Civil Procedure Law and Rules, that this is my decision in the above-captioned matter.

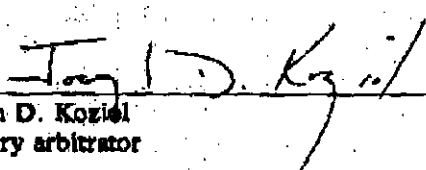


Pamela H. Roderick

ARBITRATOR'S SIGNATURE

William Friedman, Esq.
Public Chairperson

Pamela H. Roderick
Public arbitrator



Joseph D. Koziel
Industry arbitrator

Date of Decision 3/7/97

I, Joseph D. Koziel, do hereby affirm pursuant to Article 7507 of the Civil Procedure Law and Rules,
that this is my decision in the above-captioned matter.



Joseph D. Koziel