

NASD REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Name of Claimant

Michael J. Babcock

95-05691

Name of Respondents

Jason MacKenzie Securities, Inc.
Andrew Cinman
William Jakob, Jr.

REPRESENTATION

Claimant Michael J. Babcock ("claimant") appeared pro se.

Respondent Jason MacKenzie Securities, Inc. ("Jason MacKenzie") did not appear at the hearing in this matter.

Respondent Andrew Cinman ("Cinman") did not appear at the hearing in this matter.

Respondent William Jakob, Jr. ("Jakob") did not appear at the hearing in this matter.

CASE INFORMATION

Statement of Claim was filed on November 29, 1995. Claimant's Submission Agreement was signed on November 30, 1995.

Jason MacKenzie's Statement of Answer was filed on June 13, 1996. Jason MacKenzie's Submission Agreement was signed on June 14, 1996.

Cinman's Statement of Answer was filed on May 31, 1996. Cinman did not file a Submission Agreement in this matter.

Jakob's Statement of Answer was filed on May 31, 1996. Jakob did not file a Submission Agreement in this matter.

HEARING INFORMATION

Hearing Sessions/Dates:

December 16, 1996

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One Session

The hearing was held at the Club Quarters Hotel located at 52 William Street, New York, New York.

CASE SUMMARY

Claimant alleged that in November 1994, he contacted Jakob and told him to purchase 2,000 shares of Senior Tour Players Development, Inc. at \$5.00 per share as well as the attached warrants. Claimant further alleged that, on or about December 5, 1994, he received his first statement from Jason MacKenzie which showed that he had purchased 4,000 shares and 4,000 warrants. Claimant contended that he contacted Jakob and that Jakob told him that it was mistake and that it would be taken care of.

Claimant asserted that, on or about January 1, 1995, he received a notice showing that 1,200 shares of Senior Tour Players Development, Inc. had been sold from his account. Claimant further asserted that Jakob again told him to not worry. Claimant alleged that he later received another statement showing that an additional 2,500 shares had been sold. Claimant maintained that without his knowledge or permission 1,700 of the 2,000 shares he purchased were sold to pay off a balance that he should not have had.

Jason MacKenzie denied any and all wrongdoing in this matter and maintained that it was defrauded by Cinman and Jakob through their fraudulent trading of Senior Tour Players Development, Inc common shares. Jason MacKenzie alleged that a review of statements and correspondence received from its customers indicated that a majority of the transactions consisted of two identical purchases in each customer account. Jason MacKenzie further alleged that it believed that the intent of the second transaction was to defraud the customers by doubling up on the number of shares sold in order to double the commissions generated from the trades.

Jason MacKenzie maintained that Cinman's and Jakob's actions resulted in approximately \$40,000.00 of fraudulently created commissions and losses of over \$350,000.00 to Jason MacKenzie due to the sellout of the shares into the open market after the customers refused to pay for the unauthorized trades.

Cinman and Jakob maintained that, on November 25, 1994, it was noticed that claimant's account held an incorrect number of units of Senior Tour Players Development, Inc and the clearing firm was directed to cancel the duplicate purchase. Cinman and Jakob further maintained that when the clearing firm did not correct the situation another letter was sent to make the correction. Cinman and Jakob contended that the margin department of the clearing firm liquidated part of claimant's position and that this occurred without the prior knowledge of anyone at Jason MacKenzie.

Cinman and Jakob also each asserted a counterclaim against claimant for bringing a frivolous action.

RELIEF REQUESTED

Claimant requested the restoration of the 1,700 shares of stock which were sold with an adjustment in the number of shares if the selling price at the date of the hearing is below his

initial purchase price of \$5.00 per share. Claimant further requested that all arbitration fees be reimbursed.

Jason MacKenzie did not specifically request relief.

Cinman and Jakob each requested that they be awarded \$10,000 in compensatory damages, \$25,000.00 in punitive damages for claimant's false statements and quotations and the injury and damage done to them.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated July 8, 1996, the NASD was notified of the death of Cinman. Subsequently, by letter dated September 3, 1996, the claimant advised the NASD that he was withdrawing his claim against Cinman.

The panel made the following determinations concerning respondent Jason MacKenzie, who did not appear at the hearing in this matter, and respondent Jakob, who did not file a Submission Agreement in this matter and also did not appear at the hearing in this matter:

1. Pursuant to Rule 10101 (formerly Section 1) of the Code of Arbitration Procedure (the "Code"), the panel found subject matter jurisdiction over this entire controversy.
2. The panel found that Jason MacKenzie was a member of the NASD and that Jakob was a person associated with a member of the NASD at the time this controversy arose. Accordingly, the panel found personal jurisdiction over Jason MacKenzie and Jakob pursuant to Rule 10301 (formerly Section 12) of the Code.
3. The panel found that Jakob was required to file a Submission Agreement with the NASD pursuant to Rule 10314(b) (formerly Section 25(b)) of the Code. In this regard, the panel found that the Statement of Claim was properly served upon Jakob pursuant to Rule 10314(a) (formerly Section 25(a)) of the Code.
4. In addition, in accordance with Rules 10310, 10315 and 10318 (formerly Sections 21, 26 and 29) of the Code, the panel found that the NASD provided Jason MacKenzie and Jakob with "due notice" of the hearing conducted in this matter by regular and certified mail. The panel further determined to proceed with the hearing without Jason MacKenzie and Jakob whose absences were unexcused.

Claimant, the only party who appeared at the hearing in this matter, agreed that the award in this matter may be executed in counterpart copies or that a handwritten, signed award may be entered. In either case, claimant agreed to receive conformed copies of the award while the originals remain on file with the NASD.

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. The panel hereby finds that Jason MacKenzie and Jakob are jointly and severally liable. Jason MacKenzie and Jakob are hereby ordered to transfer to claimant 1,700 shares of Senior Tour Players Development, Inc.
2. Each party shall bear their own costs, except that Jason MacKenzie and Jakob be and hereby are jointly and severally liable and shall pay claimant the sum of \$150.00 to reimburse claimant for the fees he previously paid to the NASD.
3. All counterclaims are dismissed in their entirety.
4. All other claims are hereby denied.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the arbitrators have assessed the following forum fees:

filing fee	= \$ 75.00
1 hearing session x \$75.00	= <u>\$ 75.00</u>
Total forum fees	= \$150.00

Respondents Jason MacKenzie and Jakob be and hereby are jointly and severally liable for the sum of \$150.00, representing the total amount of forum fees assessed.

Arbitrators' Signatures



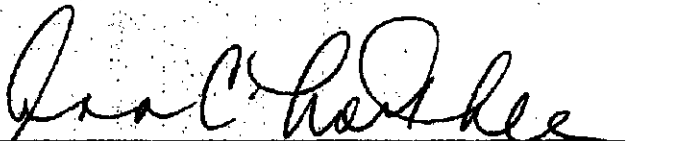
Ann C. Northern, Esq.
Chairperson-Public Arbitrator

Edward M. Miller, Ph.D.
Public Arbitrator

Clifford J. Friedman
Industry Arbitrator

Date of decision: April 10, 1997

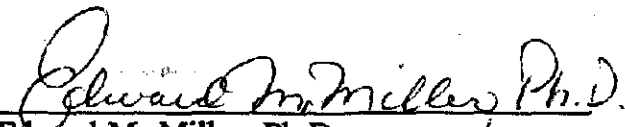
I, Ann C. Northern, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Ann C. Northern, Esq.

Arbitrators' Signatures


Ann C. Northern, Esq.
Chairperson-Public Arbitrator


Edward M. Miller, Ph.D.
Public Arbitrator

Clifford J. Friedman
Industry Arbitrator

Date of decision: April 10, 1997


I, Edward M. Miller, Ph.D, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Edward M. Miller, Ph.D.

Arbitrators' Signatures

Ann C. Northern, Esq.
Chairperson-Public Arbitrator

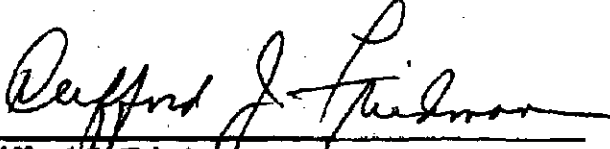
Edward M. Miller, Ph.D
Public Arbitrator



Clifford J. Friedman
Industry Arbitrator

Date of decision: April 10, 1997

I, Clifford J. Friedman, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Clifford J. Friedman