

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Joseph Mack and Carolyn Trahan

96-00076

Name of Respondents

M. Rimson & Co., Inc.
Alex Shindman

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 5, 1996, Claimants Joseph Mack and Carolyn Trahan ("J. Mack"), who appeared Pro Se, alleged that Respondent M. Rimson & Co., Inc. ("MRC") through its representative, Respondent Alex Shindman ("Shindman"), recommended that they purchase shares of Twilight Production LTD ("TPL") which they followed to their detriment. J. Mack further alleged that in April of 1995, Shindman contacted him several times using forceful and persistent sales techniques to convince him to purchase 100 shares of TPL. J. Mack also alleged that Shindman promised him that the shares would increase in value to \$15.00 from \$8.33 per share within a short time period. J. Mack contended that following the purchase, Shindman continued calling him stating that he should purchase considerably more shares which he refused until Shindman guaranteed that he would place a "stop loss" on the stock which would limit the downside risk. J. Mack further contended that 900 additional shares of the stock was purchased, however, no stop loss was placed which resulted in the losses. J. Mack also contended that he placed unreturned several calls to Respondents. Claimants alleged that as a result of the above, they have suffered a loss for which the Respondents should be held liable.

Respondents M. Rimson & Co., Inc. and Alex Shindman failed to file Statements of Answer to the Statement of Claim.

RELIEF REQUESTED

Claimants requested \$9,950.00 in actual damages.

Respondents M. Rimson & Co., Inc. and Alex Shindman failed to file Statements of Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Pursuant to Section 13 of the NASD Code of Arbitration Procedure Respondent M. Rimson & Co., Inc. was sent the Statement of Claim through regular mail and given an opportunity to respond which it failed to do. In addition, an overdue answer notice and notice of the identity of the arbitrator were sent certified mail and were received as evidenced through the signed return receipt card on file at the NASD.

Pursuant to the by-laws of the NASD, the arbitrator determined that Respondent M. Rimson & Co., Inc. has notice of the Statement of Claim and was required to submit to this proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

AWARD


Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David G. Beerbower, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on December 18, 1995 and not by the Respondents as required by Sections 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. The Respondents M. Rimson & Co., Inc. and Alex Shindman are jointly and severally liable and shall pay to the Claimants Joseph Mack and Carolyn Trahan \$9,950.00 in actual damages.
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. The Respondents M. Rimson & Co., Inc. and Alex Shindman are jointly and severally liable and shall pay to the Claimants Joseph Mack and Carolyn Trahan \$150.00 as reimbursement of the filing fee.

AFFIRMATION

I, **DAVID G. BEERBOWER, 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.


Signature of Arbitrator

DATE OF DECISION: May 31, 1996