

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Masataka Uehara

96-00524

Name of Respondent

Ron Y. Itin

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 5, 1996 Claimant Masataka Uehara ("Claimant"), who appeared Pro Se, alleged that Respondent Ron Itin ("Respondent"), employed at J. Gregory & Co., failed to manage his investments and abused his trust. Claimant further alleged that he purchased 500 shares of Global Spill Management ("GSMI") because the Respondent promised him that the stock would double and refused to charge him a commission or transaction fee in order to gain his trust. Claimant asserted that he refused to purchase additional shares of GSMI when the price dropped even though the Respondent reassured him that he spoke with the company's officer and determined that the situation was under control. Claimant further asserted that Respondent, without authorization, sold GSMI at a loss and used the proceeds to purchase Artagraph Reproduction Technology ("XARZF"). Claimant contended that subsequent to the purchase, Respondent failed to provide him with pertinent information such as XARZF was not trading in the market at the time of the purchase. Claimant also contended that trading in this stock did not occur until 6 months after his purchase which prevented his ability to sell it. Claimant alleged that Respondent left J. Gregory & Co. without informing him. Claimant alleged that due to the wrongdoing of the Respondent, he suffered damages for which the Respondent should be held liable.

Respondent Ron Itin ("Respondent"), who appeared Pro Se, maintained that all trades were authorized by the Claimant, that he made no misrepresentations about the stocks in dispute and that commissions were charged. Respondent further maintained that Claimant represented that he was an experienced investor who desired aggressive investing. Respondent also maintained

that after the purchase of GSMI he updated Claimant about it once a week, except during a four month period when the Claimant was out of the country. Respondent further maintained that the Claimant authorized the sale of GSMI so that XARZF warrants could be purchased and was fully aware of the attendant risks. Respondent contended that he regularly updated the Claimant and informed him that although the XARZF warrants delisted from NASDAQ trading, it was only a temporary situation according to information he obtained at J. Gregory's. Respondent further contended that on two occasions he sent the Claimant full investor's packages detailing information about XARZF. Respondent maintained that after the Claimant complained about the unfavorable situation of XARZF he sent him additional material which contained annual reports about the company. Respondent further maintained that as a result of the above, he should not be held liable.

RELIEF REQUESTED

Claimant Masataka Uehara, requested \$2,500.00 in actual damages.

Respondent Ron Itin, 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, John E. McGovern, Jr., Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Masataka Uehara on February 1, 1996 and by the Respondent Ron Itin on April 12, 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. Respondent Ron Itin is liable and shall pay to the Claimant Masataka Uehara \$2,500.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Ron Itin is liable and shall pay \$50.00 to the Claimant Masataka Uehara as reimbursement of the filing fee.
4. All other relief requests are denied.

AFFIRMATION

I, **JOHN E. McGOVERN, JR.**, 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.


JOHN E. McGOVERN JR.

DATE OF DECISION: September 13, 1996