

K.B.  
R.A.

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

**Name of Claimant(s)**

Leon Ozeran; Rimma Yuryeva; Sarno, Inc.

NASD Arbitration  
No. 96-01144

**Name of Respondent(s)**

Gilford Securities, Inc.; Paul Curtis; Charles Sung Beck; Korea Pacific Capitol Ltd.

**REPRESENTATION**

|  |   |
|--|---|
| For Claimant:                            | Christine A. Page, Esq.<br>Gilchrist & Rutter Professional Corp.<br>Los Angeles, California |
| For Respondent Gilford Securities, Inc.: | Larry Wachler<br>Gilford Securities, Inc.<br>New York, New York                             |
| For Respondent Charles Sung Beck:        | Charles Sung Beck<br>Chino Hills, California  |

**CASE INFORMATION**

|   |                           |
|---|---------------------------|
| Statement of Claim filed:   | March 15, 1996            |
| Amendment to Statement of Claim filed:                                    | May 20, 1996              |
| Claimants Leon Ozeran and Rimma Yuryeva's<br>Submission Agreement signed: | March 20, 1996            |
| Claimant Sarno, Inc.'s Submission Agreement signed:                       | March 26, 1996            |
| Statement of Answer filed by Respondent Gilford<br>Securities, Inc.:      | On or about June 18, 1996 |

Statement of Answer filed by Respondent  
Charles Sung Beck:

On or about June 21, 1996

Respondent Gilford Securities, Inc.'s  
Submission Agreement signed:

June 18, 1996

Respondent Charles Sung Beck's  
Submission Agreement signed:

December 3, 1996

### **HEARING INFORMATION**

Hearing Dates / Sessions:

December 3, 1996 (2 sessions)  
December 4, 1996 (3 sessions)

Hearing Location:

Los Angeles, California

### **CASE SUMMARY**

Claimants sought recovery of damages against Respondents arising out of Respondents' alleged fraudulent mishandling of Claimants' accounts. Specifically, Claimants alleged Respondents committed intentional and negligent misrepresentation, breach of fiduciary duty, negligent supervision and intentional and negligent infliction of emotional distress.

Respondents denied Claimants' claims in their entirety.

### **RELIEF REQUESTED**

Claimants sought compensatory damages in the amount of \$65,820.00, emotional distress damages and punitive damages.

Respondents sought dismissal of Claimants' Statement of Claim in its entirety, reimbursement of costs and expenses and assessment of all filing fees and forum fees against Claimants.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The Arbitration Panel found that Respondents Paul Curtis and Korea Pacific Capitol Ltd. were not properly served with notification of the arbitration and as such were dismissed without prejudice from the action.

### 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. Respondent Gilford Securities, Inc. shall pay the sum of \$25,832.00 to Claimants.
2. All claims against Respondent Charles Sung Beck are denied in their entirety.
3. All claims for emotional distress and punitive damages are denied.
4. Each party shall bear his/her/its own costs and attorneys' fees.
5. Forum Fees are assessed against Respondent Gilford Securities, Inc.

### FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, Respondent Gilford Securities, Inc. is assessed the following forum fees:

|   |                     |
|---|---------------------|
| <u>Five (5) Hearing Sessions @ \$500.00/Session</u>   | <u>= \$2,500.00</u> |
| Total Forum Fees Assessed                             | = \$2,500.00        |
| <br>Respondent Gilford Securities, Inc.'s Balance Due | <br>= \$2,500.00    |

Claimants' Hearing Session Deposit of \$500.00 shall be returned to Claimants by the NASD.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

| <u>Name</u>           | <u>Public / Industry</u> |
|-----------------------|--------------------------|
| Diana G. Davis, Esq.  | Public Arbitrator        |
| Paulette D. Greenberg | Public Arbitrator        |
| Robert E. Paset       | Industry Arbitrator      |

Concurring Arbitrators' Signatures



\_\_\_\_\_  
Diana G. Davis, Esq.

\_\_\_\_\_  
Paulette D. Greenberg

\_\_\_\_\_  
Robert E. Paset

Date of Decision: \_\_\_\_\_

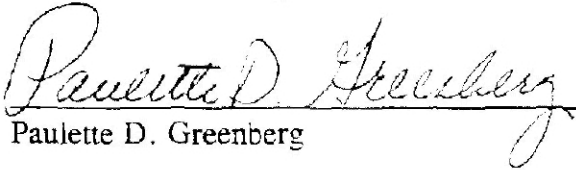
Date of Service: \_\_\_\_\_

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