

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Andrejs Zvenjnieks

96-01319

Name of Respondents

*Renaissance Financial Securities Corp.
Daniel Higgins

REPRESENTATION

Claimant Andrejs Zvejnicks ("Claimant") appeared Pro Se.

For Respondent Renaissance Financial Securities Corp. ("Renaissance") appeared Roger Schwartz. Esq. of the law offices of Roger J. Schwartz located in New York City, New York.

Respondent Daniel Higgins appeared Pro Se.

CASE INFORMATION

The Statement of Claim was filed on March 25, 1996.

Claimant's Submission Agreement was signed on March 20, 1996.

Respondent Renaissance's Statement of Answer was filed on May 8, 1996.

Respondent Renaissance's Submission Agreement was signed on May 20, 1996.

Respondent Daniel Higgins's Statement of Answer was filed on April 26, 1996.

Respondent Daniel Higgins's Submission Agreement was signed on April 26, 1996.

HEARING INFORMATION

Hearing Dates/Sessions: September 16, 1996 2 Sessions

The hearing were held at the offices of the National Association of Securities Dealers, Inc. located in Atlanta, Georgia.

CASE SUMMARY

Claimant Andrejs Zvejnieks ("claimant") alleged that in December 1994 he opened a account with Daniel Higgins ("Higgins") who was working at Josephthal Lyon & Ross Incorporated ("Josephthal Lyon"). Claimant further alleged that during June 1995, after two trades at Josephthal Lyon he transferred his account over to respondent Renaissance, when his broker respondent Higgins, joined their firm. Claimant also alleged that Higgins was not to have authority to purchase securities for his account without his approval. However, Higgins did have authority and a duty to liquidate positions when called for by circumstances.

Claimant further asserted that while at Renaissance respondent Higgins started to do some intensive trading in his account, even on margin. Claimant also asserted that by October, 1995 he started to realize, unfortunately too late, that respondent Higgins was churning his account.

Claimant contended that in late October, respondent Higgins advised him to purchase, on margin, for the second time, 1000 shares of Integrated Silicone Solutions ("ISS") for \$33,760.00. Claimant further, contended that when **ISS** started to decline he called respondent Higgins, who assured him that the decline was only temporary. Claimant also contended that on December 28, he called Higgins's office to sell **ISS** and terminate his account with Renaissance. Claimant alleged that Higgins was not available, and the order was received and acknowledged by Higgins associate "George". Claimant further alleged that the termination of his account was dragged on, and the stock was sold on December 28, 1995 for \$16,125.00. Claimant also alleged that as a result of this unauthorized and reckless handling of this transaction, he suffered a trading loss of \$17,635.00.

Respondent Renaissance denied each and every material allegation contained in claimant's Statement of claim.

Respondent Higgins ("Higgins") maintained claimant was trading on margin and had traded Borden Chemical & LDDS for very short terms while at Josephthal Lyon. Respondent Higgins further maintained that claimant's new account form at Renaissance had his investment objectives as short term trading and capital appreciation. Respondent Higgins also maintained that claimant had signed the margin papers on file.

Respondent Higgins contended that he would not consider companies like America on-line, Parametric Technology or Newbridge Networks as pure speculation. Respondent Higgins further contended claimant knew respondents were basing their ideas on very sound investment principles. Respondent Higgins also contended that claimant was fully aware of the transactions in his account. Respondent Higgins maintained claimant had traded ISS just eight days before the trade in question for a \$800.00 profit.

Respondent Higgins further maintained that claimant was kept aware of the stock price of **ISS**. Respondent Higgins also maintained claimant received directly from Gary Fisher ("Fisher") CFO of **ISS**, the 10k, 10Q and annual reports. Respondent Higgins contended claimant had also received a copy of the DLJ recommendation on October 3rd. and DLJ's reiteration of purchase dated November 16.

Respondent Higgins further contended that on November 27. ISS was at 26 1/2, and claimant stated that he did not want to sell for tax purposes. Respondent Higgins also contended that he informed claimant that the prices were soft on memory chips and that there may be pressure on the stock for the

tax selling season. Respondent Higgins maintained that he informed claimant that he would be getting married and would be out of the office on December 15th through January 3.

RELIEF REQUESTED

Claimant Andrejs Zvejnieks requested \$17,365.00 in actual damages.

Respondent Renaissance Financial Securities Corp. requested that the claims of the claimant be dismissed in their entirety.

Respondent Daniel Higgins requested that the claims of the claimant be dismissed in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

The parties have 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, the parties have 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. Claimant Andrejs Zvejnieks claims against respondents Renaissance Financial Securities, Corp. and Daniel Higgins are dismissed in their entirety.
2. The parties shall bear their respective costs, including attorneys' fees.

FORUM FEES

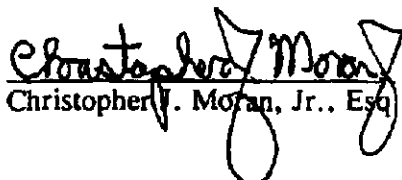
Pursuant to Section 10332 of the NASD Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$100.00 non-refundable filing fee previously deposited by the claimant and have assessed the following Forum Fees.

2 Sessions X \$300.00	=	\$600.00
minus Hearing deposit	-	<u>\$300.00</u>
Total outstanding	=	\$300.00

Claimant Andrejs Zvejnieks be and hereby liable to the NASD for the sum of \$600.00, representing the total amount of forum fees assessed. Claimant previously deposited \$300.00 with the NASD, Therefore, claimant owes \$300.00 to NASD Regulation.

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

ARBITRATORS' SIGNATURE


Christopher J. Moran, Jr., Esq.

A. Cuyler Kline, Jr.

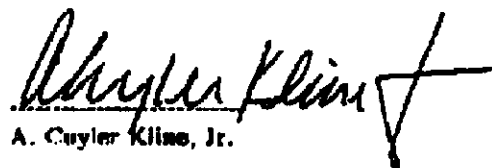
Richard C. Murphy, Esq.

Date of Decision : November 4, 1996

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ARBITRATORS' SIGNATURE

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A. Cuyler Kline, Jr.

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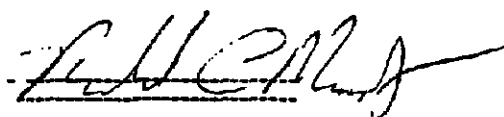
Date of Decision: November 4, 1996

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ARBITRATORS' SIGNATURE

Christopher J. Moran, Jr., Esq.

A. Cuyler Kline, Jr.

A handwritten signature in dark ink, appearing to read "R. C. Murphy", written over a horizontal line.

Richard C. Murphy, Esq.

Date of Decision: November 4, 1996