

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Kehching Feng

96-02419

Name of Respondents

Investors Associates, Inc.
Alfred Blaikie, III
Arthur Ostrowski

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 6, 1996, Claimant Kehching Feng ("Claimant"), who appeared Pro Se, alleged that Respondents Investors Associates, Inc. ("IAI"), Alfred Blaikie, III ("Blaikie"), and Arthur Ostrowski ("Ostrowski"), made four unauthorized trades to his detriment. Claimant further alleged that he was first contacted by either Blaikie or Ostrowski on November 17, 1995, soliciting the purchase of shares of American Resources Delaware ("GASS") which he declined. Claimant also alleged that on December 9, 1995, he discovered that without his authorization, on November 17, 1995, 400 shares of Odetics Inc. Class A shares were sold at \$8.75 per share and 1000 shares of GASS were bought at \$3.53 per share. Claimant contended that on December 12, 1995, he contacted Blaikie about the trades but chose not to report them so that he would not "hurt his job." Claimant further contended that on January 29, 1996, he received confirmation slips for the unauthorized purchase of 510 shares of Merisel Inc. at \$5.00 per share on January 25, 1996 and the unauthorized sale of 1000 shares of GASS at \$2.50 per share. Claimant also contended that he unsuccessfully challenged the Respondents regarding the trades. Claimant asserted that as a result of the above, he has suffered a loss for which the Respondents should be held liable.

Respondents Investors Associates, Inc., Alfred Blaikie, III, and Arthur A. Ostrowski, through their representative, M. David Sayid, Esq., of the law firm of Sayid and Associates, located in Hackensack, NJ, maintained that the claim is without merit and entirely fails to mention how Respondents are responsible for Claimant's losses. Respondents further maintained that when Claimant opened his account with IAI, he stated that he was an experienced investor. Respondents also maintained that it boggles the mind why a sophisticated investor would

continue doing business with a firm which he claims made unauthorized trades. Respondents contended that if his account was losing money and was problematic, one might reasonably inquire and freeze the account or even close the account. Respondents further contended that all transactions were authorized and conducted in conformance with all applicable rules and regulations.

RELIEF REQUESTED

Claimant Kehching Feng requested \$5,682.00 in actual damages.

Respondents Investors Associates, Inc., Alfred Blaikie, III and Arthur Ostrowski requested that the claims be dismissed in their entirety.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Jonathan A. Pace, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on May 24, 1996, and not by the Respondents Investors Associates, Inc., Alfred Blaikie, III and Arthur Ostrowski as is required by Sections 12 and 13 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 claims of the Claimant Kehching Feng against Respondents Investors Associates, Inc., Alfred Blaikie, III and Arthur Ostrowski are dismissed in their entirety.
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.
4. All other relief requests are denied.

AFFIRMATION

I, JONATHAN A. PACE, 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.

A handwritten signature in dark ink, appearing to read 'Jonathan A. Pace', is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: September 13, 1996