

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Irving Davis

96-02443

Name of Respondent(s)

JPR Capital House  
Paul Umansky  
Robert Zuckerman

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**REPRESENTATION**

For Claimant Irving Davis ("Claimant") appeared Ira J. Furman, Esq., a sole practitioner located in Freeport, New York.

For Respondents Paul Umansky ("Umansky"), Robert Zuckerman ("Zuckerman") and JPR Capital House ("JPR"), collectively ("Respondents"), appeared Ross Intelisano, Esq. of the Law Firm Pressman & Associates, located in New York, New York.

**CASE INFORMATION**

Statement of Claim filed: June 18, 1996.

Claimant's Submission Agreement signed on: June 4, 1996.

Joint Statement of Answer filed by Respondents on: August 6, 1996.

Respondent JPR's Submission Agreement signed on: August 6, 1996.

Respondent Umansky's Submission Agreement signed on: August 6, 1996.

Respondent Zuckerman's Submission Agreement signed on: August 6, 1996.

**HEARING INFORMATION**

Pre-Hearing Conference:	October 29, 1996	-	1 session
Hearing Dates/Sessions:	January 7, 1997	-	2 sessions
	January 13, 1997	-	1 session

Hearing Location: The hearings were held at the NASD Regulation, Inc. offices located in New York City, New York.

### **CASE SUMMARY**

Claimant alleged that on December 20, 1995, Respondent Zuckerman, a representative of Respondent JPR solicited him for the purpose of having his account traded for him by Respondent Umansky, also a representative of Respondent JPR. Claimant further alleged that he met with Umansky a few days later and Umansky said that he would extend his personal guarantee against any losses. Claimant contended that Umansky represented that a minimum investment of \$100,000.00 was required to begin this arrangement. Claimant alleged that on January 2, 1996 he opened an account at JPR and deposited a check in the amount of \$100,000.00 to begin trading. Claimant further alleged that between January 4, 1996 and February 26, 1996 there were approximately 350 trades executed for his account. Claimant contended that he met with Respondents on February 26, 1996, closed the account, and asked for his \$100,000.00 back as per Umansky's guarantee. Claimant asserted that Umansky told him that the guarantee was to be honored only if he left his money in the account for one year. Claimant further asserted that this was the first time that this condition was mentioned.

Respondents maintained that Claimant is a sophisticated investor who had a long term relationship with Umansky and Zuckerman before opening his account at JPR. Respondents further maintained that Claimant was never solicited for his business and, in fact, came to JPR's offices completely unsolicited to open an account. Respondents contended that Claimant signed a discretionary form allowing JPR to trade his account on a discretionary basis. Respondents further contended that Claimant was never given any guarantees. Respondents maintained that Claimant's account was traded in the exact same manner as all of Umansky's other accounts, was not churned, and should not receive any special compensation.

### **RELIEF REQUESTED**

Claimant requested \$15,274.27 in actual damages.

Respondents requested that the claims of the Claimant be dismissed.

### **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. Respondents JPR, Umansky and Zuckerman be and hereby are jointly and severally liable and shall pay to the Claimant \$2,000.00.
2. Each party shall bear its own costs, including attorney's fees.
3. All other claims be and hereby are denied.

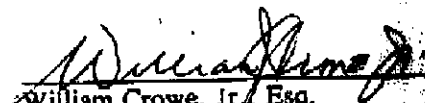
### FORUM FEES

Pursuant to Section 10332 of the Code of Arbitration Procedure, the following Forum Fees are assessed.

One pre-hearing conference	x \$300.00=	\$300.00
Three hearing sessions	x \$400.00=	\$1,200.00
Total Fees assessed:		\$1,500.00

Claimant be and hereby is liable for \$750.00 representing one half of forum fees assessed. Claimant previously deposited \$400.00 with the NASD. Therefore, Claimant owes \$350.00.

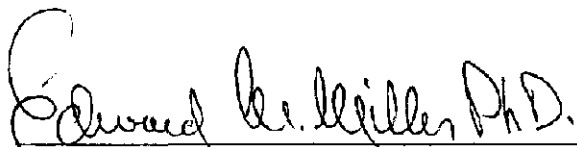
Respondents be and hereby are jointly and severally liable for \$750.00 representing one half of forum fees assessed.

  
William Crowe, Jr., Esq.

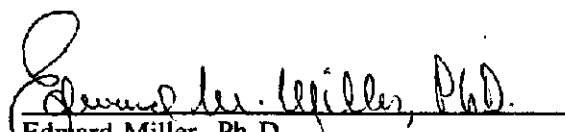
I, William Crowe, Jr., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

  
William Crowe, Jr., Esq.

DATE OF DECISION: FEB12, 1997

  
Edward M. Miller, Ph.D

I, Edward M. Miller, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

  
Edward Miller, Ph.D

DATE OF DECISION: FEB 12, 1997

ARBITRATOR'S SIGNATURES

Robert D. Herschman  
Robert D. Herschman, Esq.

I, Robert D. Herschman, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Robert D. Herschman  
Robert D. Herschman, Esq.

DATE OF DECISION: FEB 12, 1997