

971

## AWARD

NASD Regulation, Inc.

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In the Matter of the Arbitration Between

Name of Claimant

Puma Del Mar International, Ltd.

and

Case No.

96-02691

Name of Respondent

\*Schonfeld Securities, Inc.  
Vista Securities, Inc.  
Vincent Landano  
Michael Walters  
Robert Yadegar

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### REPRESENTATION OF PARTIES

Puma Del Mar International, Ltd. ("Claimant") was represented by Eric J. Sussman, Esq. located in Garden City, New York.

Schonfeld Securities, Inc., Vista Securities, Inc., Vincent Landano, and Michael Walters, ("Respondents") were represented by Mark Astarita, Esq. Of Gusrae, Kaplan & Bruno located in New York, New York.

Robert Yadegar ("Respondent Yadegar") was represented by Joseph F. Keenan, Esq. Of Bochat & Keenan, P.C. located in Garden City, New York.

### CASE INFORMATION

Claimant Puma Del Mar International, Ltd filed the Statement of Claim on or about June 25, 1996. A Uniform Submission Agreement was signed by Claimant June 19, 1996.

Respondents Schonfeld Securities, Inc., Vista Securities, Inc., Vincent Landano and Michael Walters filed a joint Statement of Answer on or about August 30, 1996. Uniform Submission Agreement were signed by Respondents Vista Securities, Inc., Vincent Landano and Michael Walters on October 7, 1997. Respondent Schonfeld Securities, Inc. signed the Uniform Submission Agreement on December 13, 1996.

Respondent Robert Yadegar filed the Statement of Answer on or about September 16, 1996. Respondent signed the Uniform Submission Agreement on September 13, 1996.

### HEARING INFORMATION

The Arbitration Panel held Hearing Sessions on:

July 17, 1997	=	2 Sessions
July 18, 1997	=	2 Sessions
September 16, 1997	=	2 Sessions

for a total of six (6) sessions.

### CASE SUMMARY

Claimant alleged that it opened an account with Respondent Vista in 1996. The employee assigned to this account was Robert Yadegar. Claimant contended that Respondents Vista and Yadegar brought and sold thousands of shares of Iomega Corporation, Unet Tech, Inc., and Micron Technology, Inc. Claimant further stated that it never authorized these trades or received confirmation of any of these trades. Furthermore, it is Claimants position that Respondents supervisors, Respondents Landano and Walters, were Respondent Yadegar's supervisors and as such failed to properly supervise Respondent Yadegar.

Claimant requested recovery from the Respondents for unauthorized trading, failure to supervise, breach of fiduciary duty, and negligence.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that Claimant opened an account with Vista in 1996. The Respondent's maintained that Claimant was a wealthy, sophisticated investors with experience in short selling of securities. Respondents further stated that the activity in Claimant's account was consistent with their stated objectives and that all trades were authorized by Claimant. Furthermore, Respondent's contended that the allegations set forth in the Statement of Claim was Claimant's attempt at recouping market losses.

Respondent set forth the following affirmative defenses: 1) the Statement of Claim failed to state a cause of action upon which relief could be granted; 2) Claimant assumed the risk of market fluctuation which was the direct cause of its losses; 3) Doctrine of laches; 4) Claimant ratified the trades by accepting confirmation and account statements reflecting the trades; 5) Claimant failed to properly calculate the alleged damages and seeks to recover a windfall.

In a separate submission, Respondent Yadegar asserted that he was not the Registered Representative ("RR") assigned to the Claimant's account. According to Respondent Yadegar's Statement of Answer, Respondent Landano was the broker of record of the Claimant's account, however, he alleged that the account was actually handled by Rob Gray, a former RR. Respondent

Yadegar maintained that Rob Gray solicited business in his own name but used Yadegar's RR number.

In response to Claimant's unauthorized trading allegation, Respondent Yadegar reiterated that he was not the RR assigned to the Claimant's account. In addition, he noted that any trades he may have entered on behalf of Claimant were at the direction of Claimant. Furthermore, such trades were unsolicited by Respondent Yadegar. Respondent Yadegar, answered the failure to supervise claim by asserting that he was not a Series 24 nor did he have supervisory responsibilities.

As to the breach of fiduciary duty claim, Respondent Yadegar restated that he was not Claimant's RR. However, as to the unsolicited trades that he executed for Claimant, Yadegar stated that "he fully discharged his fiduciary responsibilities." Finally, in response to the negligence claim Respondent Yadegar stated that he exercised reasonable care when executing the unsolicited orders he received from Claimant. Specifically, Respondent Yadegar stated that he always verified the trade with Claimant before executing the trade.

**RELIEF REQUESTED**

**Claimant requested:**

1. an award of \$135,000.00 in actual losses;
2. the commission and other service fees paid to Respondents for the alleged unauthorized trades;
3. an amount determined by the panel to compensate Claimant for interest, loss of value of the account and loss opportunity cost;
4. punitive damages; attorney fees and cost;
5. that Respondent Yadegar's activities be reported to all self regulatory agencies;
6. that Respondent Yadegar be terminated and prohibited from associating with Respondents Vista and/or Schonfeld and that his Uniform Termination Notice for Securities Industry Registration reflect this proceeding and relief; and
7. any additional relief as the arbitration panel may deem appropriate.

**Respondents requested:**

1. that all claims asserted in the Statement of Claim be denied;

2. that the panel award them costs and attorneys' fees; and
3. any additional relief as the arbitration panel may deem appropriate.

**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 original(s) remain on file with NASD Regulation, Inc.

**AWARD**

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim is dismissed in its entirety as to all of the Respondents.

**FORUM FEES**

Pursuant to §10332© of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. shall retain the non-refundable filing fee in the amount of \$200.00 submitted by the Claimant Puma Del Mar International, Ltd. As provided in NASD Rule 10332(b), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which last four (4) hours or less.

Pursuant to §10333 of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. shall retain the non-refundable member surcharge in the amount of \$350.00.

The arbitrators have assessed the following forum fees:

6 Hearing Sessions	x	\$750.00 =	\$4,500.00
Minus Claimant's \$750.00 deposit			<u>(\$ 750.00)</u>
Total Outstanding			\$3,750.00

Claimant Puma Del Mar International Ltd. be and hereby is liable and shall pay to NASD Regulation, Inc., \$2,250.00 representing one-half of the forum fees assessed. Claimant previously deposited \$750.00 with NASD Regulation, Inc., therefore, Claimant shall pay to NASD Regulation, Inc., \$1,500.00 in satisfaction of forum fees.

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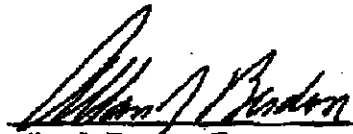
NASD Regulation, Inc.  
Arbitration No. 96-02691  
Award Page 5 of 6

Respondents Vista Securities, Inc., Robert Yadegar, Vincent Landano and Michael Walters be and hereby are liable and shall pay to NASD Regulation, Inc., the sum of \$2,250.00 representing one-half of the forum fees assessed. Therefore, Respondents Vista Securities, Inc., Robert Yadegar, Vincent Landano and Michael Walters shall pay to NASD Regulation, Inc., \$2,250.00 in satisfaction of outstanding forum fees.

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NASD Regulation, Inc.  
Arbitration No. 96-02691  
Award Page 6 of 6

**ARBITRATOR SIGNATURES**

  
Allan J. Bardon, Esq.  
Public Arbitrator, Presiding Chair

Claus Z. Pappenheimer  
Public Arbitrator

Steve Harris  
Industry Arbitrator

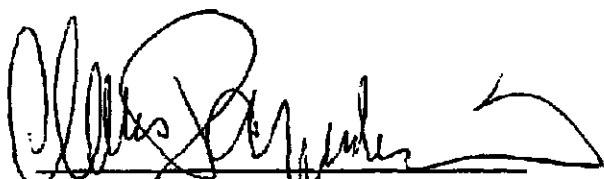
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NASD Regulation, Inc.  
Arbitration No. 96-02691  
Award Page 6 of 6

**ARBITRATOR SIGNATURES**

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Allan J. Berdon, Esq.  
Public Arbitrator, Presiding Chair

  
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Claus Z. Pappenheimer  
Public Arbitrator

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Steve Harris  
Industry Arbitrator

Dated: December 10, 1997

9712

NASD Regulation, Inc.  
Arbitration No. 96-02691  
Award Page 6 of 6

**ARBITRA FOR SIGNATURES**

\_\_\_\_\_  
Allan J. Berdon, Esq.  
Public Arbitrator, Presiding Chair

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Claus Z. Pappenheimer  
Public Arbitrator

\_\_\_\_\_  
Steve Harris  
Industry Arbitrator

Dated: December 10, 1997

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*Claus Z. Pappenheimer*