

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Alfred S.J. Whang

96-03363

Name of Respondents

Investors Associates, Inc  
Luis Loza  
Robert Loza

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 5, 1996, claimant Alfred S.J. Whang ("claimant"), who appeared Pro Se, alleged that respondent Investors Associates, Inc. ("IA"), through its representative Robert Loza ("R. Loza"), made several unauthorized trades in his IA account. Claimant further alleged that the following unauthorized trades occurred in his account: 1) the purchase of 1500 long positions of Discreet Logic ("DL") on May 1, 1996; 2) the purchase and sale of shares of FTP Software ("FTPS"); and, 3) the purchase of 2000 long positions of Camelot Corporation ("CC"). Claimant also alleged that as he became aware of these trades he notified R. Loza and was led to believe that the trades would be corrected. Claimant contended that when he continued having problems, he contacted respondent Luis Loza ("L. Loza"), the branch manager, who suggested that he should settle the problems with R. Loza. Claimant further contended that the unauthorized trades put his account on margin which resulted in a deluge of margin calls slips. Claimant also contended that he brought the margin call slips to the attention. Claimant asserted that in early June, he complained about the status of his account to Dejan Perovic, IA's compliance officer, who did not correct the problems. Claimant further asserted that as a result of the above, he has suffered a loss for which the respondents should be held liable.

Respondents Investors Associates, Robert Loza and Luis Loza through their representative and counsel, David Sayid, Esq., of the law firm of Sayid and Associates located in Hackensack, New Jersey, maintained that claimant's claim is without merit and entirely fails to mention how respondents in any way are responsible for claimant's losses. Respondents further maintained that upon opening his account, claimant informed IA that he was very knowledgeable in the securities industry. Respondents also maintained that it is inconceivable that claimant suffered through so much poor interaction with R. Loza yet continued to transact business with him.

Respondents contended that it boggles the mind that a sophisticated investor like claimant would put up with this much chicanery and deception. Respondents further contended that in April of 1996, R. Loza discussed market investing with the claimant for the first time. Respondents also contended that claimant asked that 550 shares of SYMC and 100 shares of COTTF be sold from his account and expressed an interest in short term investing. Respondents asserted that R. Loza recommended the purchase of DL to which claimant agreed in the amount of 1500 shares. Respondents further asserted that shortly thereafter, R. Loza recommended the purchase of 2000 shares of CC to which claimant again agreed. Respondents also asserted that on May 27, 1996, claimant raised his first objections to the trades he had previously authorized. Respondents maintained that claimant's complaint was investigated at IA and that it was determined to be without merit. Respondents further maintained that they should not be held liable.

### **RELIEF REQUESTED**

Claimant Alfred S.J. Whang requested \$7,747.37 in actual damages.

Respondents Investors Associates, Inc., Robert Loza and Luis Loza requested that the claims be dismissed in their entirety plus reimbursement of costs, fees, expenses and attorney's fees.

### **AWARD**

Pursuant to Section 10302 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Carole M. Crosby, Esq., was selected to review the matter in controversy between the parties set forth in submissions to arbitration signed by the claimant on August 7, 1996, and not by the respondents as is required by Sections 10301 and 10302 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. Respondents Investors Associates, Inc., Luis Loza and Robert Loza are jointly and severally liable and shall pay to the claimant Alfred S.J. Whang \$7,747.37 in actual damages.
2. The parties shall bear their respective costs and attorney's fees.
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. Respondents Investors Associates, Inc., Luis Loza and Robert Loza are jointly and severally liable and shall pay to the claimant Alfred S.J. Whang \$150.00 as reimbursement of the filing fee.
4. All other relief requests are denied.

**AFFIRMATION**

I, Carole M. Crosby, 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.

  
Signature of Arbitrator

DATE OF DECISION:      January 14, 1997