

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimants

Ken C. Bates and Laurie A. Bates

96-03706

Name of Respondent

Global Strategies Group Inc.

---

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers Regulation, Inc. on August 27, 1996, claimants Ken C. Bates and Laurie A. Bates ("Bates"), through their representative, R. Nicholas Palmer, Esq., of the law firm Palmer & Paoli, P.C., located in Denver, Colorado, alleged that during July, 1995 Steven Sapir ("Sapir"), an investment broker employed with respondent Global Strategies Group, Inc., ("GSG") solicited Bates on several occasions. Bates further alleged that Sapir's acts, errors and omissions are attributable to GSG as a representative and/or employee of GSG. Bates also alleged that on July 20, 1995, Sapir recommended and Bates agreed to the purchase of 100 shares of Calloway Golf common stock at \$15.00 per share for the sum of \$1,575.00. Bates averred that at Sapir's direction, the stock was paid for by check made payable to Lehman Brothers, and that he received confirmation from GSG for the purchase.

Bates further asserted that without prior notification or authorization, he later received another confirmation which reflected a purchase of one hundred shares of International Game Technology ("IGT"). Bates also asserted that he immediately notified Sapir of the error, who assured him that the error would be investigated. Bates indicated that he subsequently contacted Sapir, who informed him that IGT had been purchased instead of Calloway Golf stock, and assured him that the error would be corrected. Bates contended that despite repeated assurances from GSG's representatives Wendy Parker and Sapir, the Calloway Golf stock was never purchased. Bates further contended that on June 26, 1996, he placed a sell order for the Calloway Golf stock which averaged \$34 1/16 per share. Bates alleged that GSG is responsible for the loss incurred when IGT was sold and loss of capital gains as a result of GSG's failure to purchase the Calloway Golf stock.

Respondent Global Strategies Group, Inc., through its representative and President, Kathleen Parker, maintained that Sapir was an independent contractor of GSG under the direct supervision of Larry Shtryker, the principal in their New York Office. GSG further maintained that the confirmation which was sent to Bates for the Calloway Golf stock was not a recognized GSG or Lehman Brothers confirmation. GSG contended that Bates received the appropriate confirmation on all other transactions in their account. GSG further contended that Bates waited five months after the dispute and until Sapir left GSG to provide notification of the dispute. GSG also contended that Bates was fully aware of the activities in the account and by continuing to transact business with Sapir, ratified his conduct. GSG requested dismissal of the arbitration and maintained that Bates request for capital gains on a stock which they never owned is ridiculous.

**RELIEF REQUESTED**

Claimants Ken C. Bates and Laurie C. Bates requested \$2,097.65 in actual damages, interest at the legal rate of 8% per annum, costs, expenses and attorneys fees.

Respondent Global Strategies Group, Inc., requested dismissal of the arbitration.

**AWARD**

Pursuant to Section 10302 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Aleron H. Larson Sr., Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimants Ken C. Bates and Laurie A. Bates on July 31, 1996 and by respondent Global Strategies Group, Inc., on September 26, 1996.

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. Respondent Global Strategies Group, Inc., is liable and shall pay to claimants Ken C. Bates and Laurie A. Bates \$266.40 in actual damages.
2. Respondent Global Strategies Group, Inc., is liable and shall pay to claimants Ken C. Bates and Laurie A. Bates interest at the rate of 8% per annum from April 20, 1996 to date of award.
3. The parties shall bear their respective costs.
4. Respondent Global Strategies Group, Inc., is liable and shall pay to claimants Ken C. Bates and Laurie A. Bates, Attorneys Fees of \$88.71 pursuant to claimants' request as stated in the Statement of Claim.
5. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers Regulation, Inc. by the Claimants Ken C. Bates and Laurie A. Bates shall be retained by NASD Regulation, Inc. Respondent Global Strategies Group, Inc., is liable and shall pay to the Claimants Ken C. Bates and Laurie A. Bates, \$50.00 as reimbursement of the filing fee.

**AFFIRMATION**

I, **ALERON H. LARSON, SR., 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 29, 1997