

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Meyers Pollock Robins, Inc.

96-04431

Name of Respondent

Annie D. Cheng

CASE SUMMARY

In a case filed with the National Association of Securities Dealers Regulation, Inc. on October 7, 1996, claimant Meyers Pollock Robins, Inc. ("MPR" or "claimant") through its representative and in-house counsel Louis Miron, alleged that respondent Annie Cheng ("Cheng") failed to repay a debt owed to MPR. Claimant further alleged that pursuant to an agreement with Cheng, MPR agreed to make payments to one of Cheng's customers in a settlement claim against Cheng, wherein she agreed to indemnify MPR in full for paying this debt on her behalf. Claimant also contended that Cheng has refused to make payment to MPR for all or any portion of the debt.

Respondent Cheng, who appeared Pro Se, maintained that the problem occurred when she got a new client name Raymond Ho ("Ho"). Respondent further maintained that the company was a partnership with three official named Tony Yanardi ("Yanardi"), Dave Dandrea ("Dandrea") and Nick Giamenico ("Giamenico") and the manager was Tom Campo ("Campo"). Respondent also maintained that you had to hand every trade to the trader officers which were Yanardi and Campo. Respondent contended that on December 15, 1995, Ho bought 1000 shares of QCOM and on January 18, 1996, he bought another 1000 shares of QCOM. Respondent further contended that on or about January 19, Yanardi informed her that Ho's account exceeded his limit and that he needed to either sell 1000 shares of QCOM or send a check. Respondent also contended that Ho decided to sell 1000 shares of QCOM, so she wrote a sell ticket for 1000 shares of QCOM and handed the ticket to Yanardi as usual. Respondent maintained that Yanardi told her that he did not want to buy any more stock for Ho, because he was to active and that Ho does not want to invest any more money. Respondent further maintained that when she told Yanardi that she already sold 1000 shares of QCOM to cover the house call, Yanardi became very angry and rude with her. Respondent also maintained that the next day she went and spoke with Dandrea to report the incident and resign, but Dandrea told her that he spoke to Yanardi and that she should hand her trades to him.

Respondent contended that on January 24, 1996, Ho placed an order to sell 1000 share of QCOM and after buy 1000 shares of ADBE. Respondent further contended that she hand the tickets to Dandrea who gave her confirmation of both the sell order and the purchase order. Respondent also contended that on January 29, Yanardi came to her and told her that Ho's account exceeded its limit again. Respondent maintained that she did not know why and when she asked Yanardi to explain, he told her that he did not handle her account and had not answer. Respondent further maintained that she asked Campo to call the

corporate office to find out why Ho's account was short. Respondent also maintained that Campo told her that Ho's account was short 1000 shares of QCOM and that he purchased 1000 shares of ADBE. Respondent contended that she checked over his account and could not figure why Ho's account was short.

Respondent further contended that Yanardi sold duplicate 1000 shares of QCOM. Respondent also contended that she asked Yanardi to call the corporate office to get a print out of Ho's account history, but he refused and told her that it was his and Dandrea last day at MPR. Respondent maintained that Yanardi offered her a choice to take the loss herself or he would sell 1000 shares of ADBE and buy back 1000 shares of QCOM to cover the account and let Ho take the loss. Respondent further maintained that she could not afford to lose any clients and did not believe that Ho should take the loss, so she wrote two checks to Yanardi to cover the loss. Respondent also maintained that MPR lost the checks and wanted her to replace them. Respondent contended that after discussing the situation with her husband, she decided that she should not take responsibility of the loss that was not her fault.

RELIEF REQUESTED

Claimant MPR requested \$6,725.00, together with interest, attorney's fees, costs of suit and other such relief as the arbitrator deems fair and equitable.

Respondent Annie Cheng requested that the claims of claimant be dismissed in their entirety, plus a commission check which MPR owes her for almost a year.

AWARD

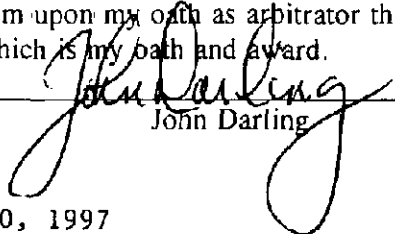
Pursuant to Rule 10203 of the Code of Arbitration Procedure, a single Industry Arbitrator, John Darling, was selected to review the matter in controversy between the parties set forth in Submissions to Arbitration signed by claimant MPR on October 2, 1996 and by respondent Annie Cheng on November 29, 1996, as required by Rules 10201 and 10203 of the 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. Respondent Annie Cheng be and hereby is liable and shall pay claimant MPR the sum of \$3,725.00.
2. All other relief requests are denied.
3. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers Regulation, Inc. by claimant shall be retained by NASD Regulation, Inc. Respondent Annie Cheng be and hereby is liable and shall pay claimant the sum \$287.50 as reimbursement of one-half of the filing fee.

AFFIRMATION

I, **John Darling**, do hereby affirm upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.



John Darling

Date of Decision: April 30, 1997