

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

Mike H. Samadi

96-04646

Name of Respondents

Summit Investment Corporation  
John F. Stevenson

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CASE SUMMARY

In a case filed with the National Association of Securities Dealers Regulation, Inc. on October 18, 1996, claimant Mike Samadi ("claimant"), who appeared Pro Se, alleged that respondents John Stevenson ("Stevenson") and Summit Investment Corporation ("Summit") sold him stock in a bankrupt company. Claimant further alleged that on November 6, 1989, he received a phone call from Stevenson, soliciting him to purchase shares of Wildcat U.S.A., Inc. ("Wildcat"). Claimant also alleged that Stevenson told him that people were buying large blocks of shares in the corporation (i.e. doctors, lawyers, etc.). Claimant alleged told Stevenson he needed time to think about. Claimant asserted that on November 16, he received another call from Stevenson informing him how the stock rose from \$0.0005 a share to \$0.0075 a share and that it would be a waste if he didn't invest at that time. Claimant further asserted that after great persuasion from Stevenson, he purchased 266,000 shares of Wildcat.

Claimant also asserted that after receiving his certificate for Wildcat, he found out that Wildcat USA had announced bankruptcy and shutdown well before his purchase of the stock in November 1989. Claimant contended that he immediately called Stevenson, who refused to speak with him. Claimant further contended that when he finally spoke to Stevenson, he accused him of knowing about the bankruptcy and Stevenson replied that sometimes companies come out of bankruptcy. Claimant also contended that he tried to resolve the matter with Summit's management, but his calls were not returned. Claimant alleged that he reported the incident to the SEC, which asked the firm to provide a report of their findings in this matter. Claimant further alleged that he has still not heard from anyone or received any report.

Respondents Summit and Stevenson (collectively referred to as "respondents") through their representative and in-house counsel Joseph Fleming, maintained that in 1989 Wildcat retained Summit to solicit the exercise of certain warrants as a means of raising capital for Wildcat. Respondents further maintained that Stevenson received a phone call from claimant, who wanted to place an unsolicited order for the purchase of Wildcat common stock. Respondents also maintained that Stevenson explained the speculative nature of the stock and that he could lose money, but claimant stated he was an experienced investor in speculative securities. Respondents contended Stevenson entered the order requested by claimant as unsolicited. Respondents further contended that the confirmation slip claimant received clearly stated that the purchase was unsolicited. Respondents also contended that Wildcat was

not in fact in bankruptcy at the time of claimants purchase. Respondents maintained that claimant filed a case with the SEC, in which the SEC determined to take no action and closed the file.

### **RELIEF REQUESTED**

Claimant Mike Samadi requested: (1) \$2,179.29 representing his initial investment; (2) \$50.00 for the filing fee; and (3) \$269.00 for expenses.

Respondents Summit and Stevenson requested that the claims of claimant be dismissed in their entirety, and be awarded all expenses associated with the defending this matter, including \$1,282.00 for attorneys' fees.

### **OTHER ISSUES CONSIDERED & DECIDED**

The arbitrator reviewed and considered respondents' Motion to Dismiss pursuant to Rule 10304 of the Code of Arbitration Procedure. The motion was denied.

### **AWARD**

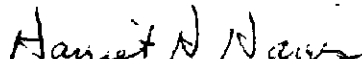
Pursuant to Rule 10302 of the Code of Arbitration Procedure, a single Public Arbitrator, Harriet H. Harris, was selected to review the matter in controversy between the parties set forth in Submission to Arbitration signed by claimant Mike Samadi on October 15, 1996 and by respondents Summit on January 28, 1997 and by Stevenson on January 28, 1997 as required by Rules 10301 and 10302 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. Respondents Summit and Stevenson be and hereby are jointly and severally liable and shall pay claimant the sum of \$2,100.00.
2. All other relief requests are denied.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers Regulation, Inc. by claimant shall be retained by NASD Regulation, Inc. Respondents Summit and Stevenson be and hereby are jointly and severally liable and shall pay claimant the sum of \$50.00 as reimbursement of the filing fee.

### **AFFIRMATION**

I, **Harriet H. Harris, Esq.**, 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.



Harriet H. Harris, Esq.

Date of Decision: April 15, 1997