

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

In the Matter of the Arbitration Between

Name of Claimant

Rezaul H. Khandker

96-04683

Name of Respondent

Investors Associates, Inc

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers Regulation, Inc. on October 21, 1996, claimant Rezaul H. Khandker ("claimant"), who appeared Pro Se, averred that his relationship with respondent Investors Associates, Inc. ("respondent") began on March 27, 1996 when he purchased 300 Telephonica Del Peru ("TDP") shares at a total cost of \$6,520.75. Claimant alleged that on July 24, 1996, Joseph Lebet ("Lebet"), respondent's Account Executive called to suggest that he purchase stock in a particular Initial Public Offering ("IPO"). Claimant further alleged that he promised to return Lebet's call since he was busy on the phone.

Claimant also alleged that he received written confirmation that respondent, without his permission, had purchased 1000 shares of American Bingo and Gaming Corp. ("BNGO") on July 25, 1996. Claimant asserted that he immediately called Lebet, protesting the unauthorized purchase. Claimant further asserted that Lebet assured him that a \$1,000.00 profit had already been made on the transaction. Claimant also asserted that "instead of seeing a profit," he received confirmations for the unauthorized (a) purchase of 100 shares of Perrys Majestic Beer, Inc. ("PYMB") on July 30, 1996, (b) purchase of 300 PYMB, and (c) sale of his TDP on July 31, 1996. Claimant contended that he called respondent, expressed his concerns to a Manager and confirmed the conversation by writing to Lebet. Claimant further contended that when he finally spoke to Lebet, his lack of concern compelled him to end business with respondent. Claimant also contended that he transferred his account to Gruntal & Co. and subsequently sold all BNGO and PYMB shares at a loss. Claimant alleged that his loss was a result of respondent's unauthorized and illegal trading.

Respondent Investors Associates, Inc., through its representative and counsel, M. David Sayid, Esq., of the law firm Sayid and Associates, located in Hackensack, New Jersey maintained that when claimant commenced his relationship with respondent, he indicated that he "liked to play the market" and was "willing to take the risk if he could make money on the trade". Respondent further maintained that claimant stated that he was knowledgeable in the securities industry. Respondent also maintained that Lebet contacted claimant and during their conversation, solicited the purchase of 1000 shares of BNGO. Respondent asserted that three days later, Lebet apprised claimant of an IPO known as PYMB. Respondent further asserted that claimant authorized the purchase of up to 1000 PYMB, but Lebet was only able to purchase 400 PYMB. Respondent contended that when claimant spoke to Lebet's manager, he never mentioned that any transaction was unauthorized. Respondent further contended that the claimant continued to transact business with Lebet throughout the alleged lies, deceit, falsehoods, unauthorized trading and unsuitable investments. Respondent also contended that all of the trades were authorized, disclosed to claimant prior to being transacted, and in full accordance with industry rules and regulations.

RELIEF REQUESTED

Claimant Rezaul H. Khandker requested \$1,824.07 in actual damages.

Respondent Investors Associates, Inc. requested that the Statement of Claim be denied in its entirety, and that it be awarded costs, fees, expenses and reasonable attorneys fees in an amount not less than \$5,000.00 incurred in defending this claim, and any other further relief as justice and equity require.

AWARD

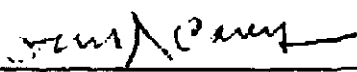
Pursuant to Rule 10302 of the NASD Code of Arbitration Procedure, a single Public Arbitrator, Neil Carey, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Rezaul H. Khandker on October 18, 1996. Respondent Investors Associates, Inc., did not file a Submission Agreement as is required by Rules 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. The claims of claimant Rezaul H. Khandker against respondent Investors Associates, Inc. are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with National Association of Securities Dealers Regulation, Inc. by the Claimant Rezaul H. Khandker shall be retained by NASD Regulation, Inc.
4. All other relief requests are denied.

AFFIRMATION

I, NEIL CAREY, do hereby swear or affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument, which is my award.



Signature of Arbitrator

DATE OF DECISION: March 6, 1997