

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimants

Michael K. Green and Margaret M. Green

96-04696

Name of Respondents

Investors Associates, Inc  
Keith Grossman

---

CASE SUMMARY

In a case filed with the National Association of Securities Dealers Regulation, Inc. on October 22, 1996, claimants Michael Green and Margaret Green ("claimants") who appeared Pro Se, alleged that respondents Investors Associates, Inc. ("IAI") and Keith Grossman ("Grossman") engaged in unauthorized trading in their account. Claimants further alleged that they were unhappy with Grossman as a broker so on March 4, 1996 they faxed him a letter, requesting that he sell their shares in American Bingo and Gaming Corp. ("BNGO"), and send them a check. Claimants also alleged that Grossman told them it would be better to transfer the account, since he would have to charge them \$700.00 in commissions. Claimants asserted that they submitted their transfer form to Lombard Securities ("Lombard"). Claimants further asserted that before the transfer took place, Grossman called and said that he could take them out of American Bingo & Gaming Corp. ("BNGO") without commission, since he had a client interested in the stock. Claimants also asserted that as a result of the trade they thought they had \$9,733.26 in their account. Claimants contended that on April 10, 1996 they called Grossman's office to see if the check was mailed and they found out they owned stock that they never heard of. Claimants further contended that this was not the first time that they found something in their account that was not supposed to be there. Claimants also contended that when their funds were wired to another brokerage house, \$8,332.25 was transferred instead of \$9,733.26.

Respondents Investors Associates, Inc. and Keith Grossman, through their representative and counsel M. David Sayid, of the law firm Sayid and Associates located in Hackensack, New Jersey, maintained that Mr. Green was a knowledgeable investor in the securities industry. Respondents further maintained that upon receiving claimants telefax, Grossman had a discussion in connection with this lack of productivity with claimants account. Respondents also maintained that after he apologized to Mr. Green for his lack of productivity, he told him that Compare Generiks ("Compare") appeared to be making a move upwards and that Mr. Green should at least give him one more attempt at rectifying the account. Respondents contended that Mr. Green stated that he was very interested in making a short term profit on Compare, but that he really did not want to forward any more money. Respondents further contended that Grossman suggested to Mr. Green, that he utilize the proceeds from the BNGO sale to cover the purchase of Compare. Respondents also contended that Mr. Green agreed and authorized the sale of BNGO and the purchase of Compare.

Respondents maintained that unfortunately, Compare took a dip in price and Mr. Green got upset and demanded that Compare be sold immediately. Respondents further maintained that claimants received a Client Confirmation in connection with the purchase and sale of Compare.

### **RELIEF REQUESTED**

Claimants Michael and Margaret Green requested \$1,386.01 in actual damages.

Respondents Investors Associates, Inc. and Keith Grossman requested that the claims be dismissed in their entirety, plus costs, fees, expenses and reasonable attorneys' fees in an amount not less than \$5,000.00.

### **AWARD**

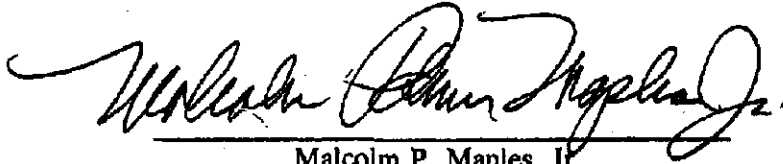
Pursuant to Section 10302 of the NASD Code of Arbitration Procedure, a single Public Arbitrator Malcolm Maples was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by claimants Michael and Margaret Green on October 15, 1996 and not by respondents Investors Associates, Inc. and Keith Grossman as required by Sections 10301 and 10302 of the Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the parties, had decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Investors Associates, Inc. and Keith Grossman be and hereby are jointly and severally liable and shall pay claimants Michael and Margaret Green, the sum of \$1,386.01 in actual damages.
2. Respondents Investors Associates, Inc. and Keith Grossman be and hereby are jointly and severally liable and shall pay claimants Michael and Margaret Green interest at the rate of 6% per annum from April 11, 1996 to the date of the award.
3. All other relief requests are denied.
4. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers Regulation, Inc. by claimants Michael and Margaret Green shall be retained by the NASDR, Inc. Respondents Investors Associates, Inc. and Keith Grossman be and hereby are jointly and severally liable and shall pay claimants the sum of \$50.00 as reimbursement of the filing fee.

**AFFIRMATION**

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



Malcolm P. Maples, Jr.

Date of Decision: February 19, 1997