

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

James Wong

96-04910

Name of Respondents

Investors Associates, Inc
Adam Massilh
Becky Nunez

CASE SUMMARY

In a case filed with the National Association of Securities Dealers Regulation, Inc. on November 4, 1996, claimant James Wong ("claimant"), who appeared Pro Se, alleged that respondents Becky Nunez ("Nunez"), Adam Massilh ("Massilh") and Investors Associates, Inc. ("IAI") failed to execute his instructions in a timely manner. Claimant further alleged that his original broker was Nunez and that on April 30, 1996, he notified her about the unauthorized transactions that occurred in his account. Claimant also alleged that he did not authorized and had no knowledge of the transaction until he received his confirmation. Claimant asserted that Nunez told him that it was a mistake and not to be concerned about it. Claimant further asserted that he kept communicating his concerns every time he received the monthly statement, and she responded by telling him that her system does not reflect the stock and that her system is correct.

Claimant also asserted that the original strategy was to sell 500 shares of Supergen ("SUPG") and lock the profit. Claimant contended that after the sale, with great reluctance, approved the purchase of 500 shares of Compare Genriks ("COGE") and 1000 shares of Cam Net ("CWKTF"). Claimant further contended that after the purchase, he should have had \$2,445.50 in his account. Claimant also contended that on April 30, 1996, he received a margin call, right after the unauthorized purchase of COGEW. Claimant alleged that he called Nunez, who told him not to worry and that he had over \$2,000 in his account. Claimant further alleged that he told Nunez that he did not want to purchase stocks using borrowed money. Claimant also alleged that he expressed his strong dislike and discomfort with margin to Nunez. Claimant asserted that the margin call came about with the unauthorized purchase of COGEW.

Claimant further asserted that a week after the COGE purchase, the stock jumped in price and he called Nunez to sell the stock for a profit. Claimant also asserted that Nunez would not allow him to sell and was stonewalling him until he followed her decision to hold the stock. Claimant contended that about a week after, COGE dropped near its original purchase price and he called Nunez to sell the stock. Claimant further contended that the end result was no action and again she expressed with extreme resistance to his sell instructions. Claimant also contended that as he grew more frustrated and distrustful of Nunez's action he decided to liquidate the account, but it was too late because Nunez had resigned from

IAI. Claimant alleged that later on Nunez contacted him to transfer his account over to her new brokerage company First Cambridge ("First Cambridge"). Claimant further alleged that he refused and Nunez told him that IAI had made numerous erroneous transactions to their clients' accounts, and somehow she got the blame for it and IAI wanted to push their stocks to clients.

Claimant also alleged that after his conversation with Nunez, he called IAI and tried to liquade his account. Claimant asserted that IAI stonewalled him and did not want to follow his instructions. Claimant further asserted that several days later IAI assigned Massilh to handle his account. Claimant also asserted that he tried to liquade his account again, but Massilh persuaded him to give him a try. Claimant contended that their strategy was to make quick profits and not hold the stocks for long term. Claimant further contended that he authorized the purchase of 600 shares of IOMEGA ("IOMG").

Claimant also contended that on August 15, 1996, Massilh purchased 600 IPO shares of ABT Global Pharmaceutical Corp ("ABT"). Claimant alleged that the strategy was to sell the IMOG shares before he purchased ABT. Claimant further alleged that his instructions were not followed and IMOG was sold on August 20, 1996. Claimant also alleged that on August 16, 1996, he and Massilh got into a dispute and Massilh told him that they could no longer do business, that he was closing out the account and selling the shares of ABT. Claimant asserted that on August 22, 1996, he received a call from one of Massilh's assistants and was told that ABT was sold. Claimant further asserted that he told Massilh's assistant that the transaction should have been executed on August 16, 1996.

Respondents Nunez, Massilh, and IAI (collectively referred to as "respondents") through their representative and counsel M. David Sayid, Esq., of the law firm Sayid & Associates located in Hackensack, New Jersey, maintained that Nunez contacted claimant several times and attempted to solicit his business. Respondents further maintained that claimant stated he was a knowledgeable in the securities industry. Respondents also maintained that claimant has failed to mention that on or about March 1996, Nunez sold claimant IPO shares in SuperGen ("SUPG") wherein claimant tripled his money when he sold the stock. Respondents contended claimant had unequivocally authorized the purchase of COGEW, as well as every other transaction. Respondents further contended that on or about April 29, 1996, Nunez informed claimant that he should purchase shares of COGE, which he agreed, due to the fact that they would be using the same strategy as with SUPG.

Respondents denied that Nunez ever told claimant that he had \$2,000 in his account. Respondents also contended that Nunez stated to claimant that with the purchases of CAM NET, COGE, and COGEW, he would have very little cash left. Respondents maintained that claimant signed a margin agreement and that his account was initially opened as a margin account. Respondents further maintained that claimant knew that if he did not want to do a transaction or did not want to do a transaction on margin, then all he would have to do is contact any authorized individual and inform them that he was not comfortable about doing the trade on margin. Respondents also maintained that despite claimant's numerous allegation of unauthorized transactions, he continued to do business with Nunez on multiple occasions. Respondents contended that claimant knew the trades and was willing to go through any length to make money, even if it meant lying about the unauthorized trades or borrowing the funds through margin. Respondents further contended that claimant expressly states that he followed Nunez's decision and acquiesced with her to hold the position.

RELIEF REQUESTED

Claimant James Wong requested: (1) 5,535.25 in damages; and (2) \$4,000 punitive damages.

Respondents Nunez, Massilh, and IAI requested that the claims of claimant be dismissed in their entirety, plus costs, fees, expenses and reasonable attorneys' fees in an amount not less than \$5,000.00.

AWARD

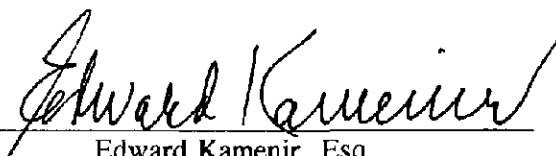
Pursuant to Rules 10302 of the Code of Arbitration Procedure, a single Public Arbitrator, Edward Kamenir, Esq., was selected to review the matter in controversy between the parties set forth in Submissions to Arbitration signed by claimant James Wong on October 26, 1996. Respondents IAI, Massilh and Nunez did not execute Submissions Agreements 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. The claims of claimant James Wong against respondents IAI, Massilh and Nunez are dismissed in their entirety.
2. All other relief requests are denied.
3. The \$150.00 filing fee previously deposited by claimant shall be retained by NASD Regulation, Inc.

AFFIRMATION

I, **Edward Kamenir, 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.



Edward Kamenir, Esq.

Date of Decision: April 30, 1997