

NASD REGULATION AWARD

In the Matter of the Arbitration Between

Name of Claimant

Valentine Beskin

96-05716

Name of Respondents

Fahnestock & Co., Inc.
Andrew G. Sukhin

REPRESENTATION

Claimant Valentine Beskin ("claimant") appeared pro se.

For Respondent Fahnestock & Co., Inc. ("Fahnestock") appeared Eric J. Schames, Chief Legal Officer for Fahnestock located in New York, New York.

For Respondent Andrew G. Sukhin ("Sukhin") appeared Elizabeth A. Semler, Esq., of the law office Rosen & Reade, LLP, located in New York, New York.

CASE INFORMATION

Statement of Claim was filed on: December 2, 1996.

Claimant's Submission Agreement was signed on: December 19, 1996.

A Joint Statement of Answer was filed by Fahnestock and Sukhin (collectively "respondents") on: March 3, 1997.

Fahnestock did not file a properly executed Submission Agreement.

Sukhin did not file a properly executed Submission Agreement.

HEARING INFORMATION

| | | | |
|-------------------------|-----------------|---|--------------|
| Hearing Dates/Sessions: | August 21, 1997 | - | Two Sessions |
| | August 27, 1997 | - | One Session |

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that respondent Sukhin's investment recommendations were unsuitable in view of his plans to purchase a house, his lack of experience and his overall financial situation. Claimant alleged that Sukhin purposely misled and misinformed him by withholding relevant and crucial information about the investments Sukhin recommended and he alleged that he relied on this incomplete or skewed information to his detriment. Claimant alleged that Sukhin was negligent in the handling of his account and account records, breached his promise to provide sound investment advice, and falsified his new account documents by changing his investment objective from long term growth to speculation.

Claimant alleged that Fahnestock was negligent in its supervision of Sukhin and allowed Sukhin to falsify documents. Claimant further alleged that Fahnestock did not act in good faith in dealing with his account and did not act fairly in dealing with his complaints and concerns about Sukhin's recommendations and the handling of the account.

Respondents denied all allegations in the Statement of Claim and maintained that they could not be held liable for any losses incurred by claimant. Fahnestock maintained that Sukhin was not in its employ at the time the dispute arose and, therefore, was not liable to claimant. Fahnestock further maintained that claimant did not have an account with it nor an arbitration agreement, and, therefore, it was not bound to be a party to this arbitration.

RELIEF REQUESTED

Claimant requested damages in the amount of \$18,123.11 plus interest, at the highest legal rate, from March 1992.

Respondents requested that the Statement of Claim be dismissed in its entirety and that all costs be assessed against claimant.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

The arbitrator made the following determinations concerning respondents Fahnestock and Sukhin, who did not file a Submission Agreement:

1. Pursuant to Rule 10101 of the Code of Arbitration Procedure (the "Code"), the arbitrator found subject matter jurisdiction over this entire controversy.
2. The panel found that Fahnestock was a member of the NASD at the time this controversy arose and that Sukhin was a person associated with a member of the NASD at the time this controversy arose. Accordingly, the arbitrator found personal jurisdiction over Fahnestock and Sukhin pursuant to Rule 10301 of the

Code.

3. The arbitrator found that Fahnestock and Sukhin were required to file Submission Agreements with NASD Regulation pursuant to Rule 10314(b) of the Code. In this regard, the arbitrator found that the Statement of Claim was properly served upon Fahnestock and Sukhin pursuant to Rule 10314(b) of the Code.

Fahnestock contended that it was not a proper party to this matter. The arbitrator, after due consideration of all documents submitted and arguments heard, found that Fahnestock was a properly named party to this matter and was required to submit to this arbitration.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Fahnestock be and hereby is liable for and shall pay to claimant the sum of **TWO THOUSAND DOLLARS (\$2,000.00)**.
2. Sukhin be and hereby is liable for and shall pay to claimant the sum of **FIVE THOUSAND DOLLARS (\$5,000.00)**.
3. Claimant's request for interest is hereby denied.
4. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10322(c) of the NASD Code of Arbitration Procedure, the arbitrator has determined that NASD Regulation, Inc. shall retain the \$100.00 non-refundable filing fee and the \$200.00 member surcharge and has assessed the following forum fees:

$$3 \text{ hearing sessions} \times \$300.00 = \$900.00$$

1. Claimant be and hereby is liable for the sum of \$300.00, representing one-third of the total amount of forum fees assessed. Claimant previously deposited \$300.00 with NASD Regulation, Inc. and, therefore, claimant owes nothing in forum fees.
2. Fahnestock be and hereby is liable for and shall the sum of \$300.00, representing one-third of the total amount of forum fees assessed.
3. Sukhin be and hereby is liable for and shall pay the sum of \$300.00, representing one-third of the total amount of forum fees assessed.

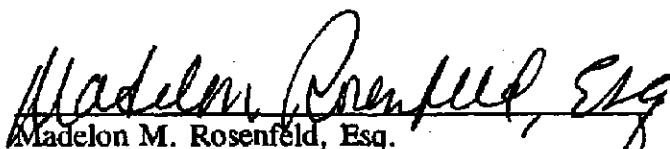
Fees are payable to NASD Regulation, Inc.

ARBITRATOR'S SIGNATURE


Madelon M. Rosenfeld, Esq.
Chairperson-Public Arbitrator

Date of Decision: December 1, 1997

I, Madelon M. Rosenfeld, Esq., do hereby 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.


Madelon M. Rosenfeld, Esq.
Chairperson-Public Arbitrator