

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

. Name of Claimant(s)

John M. Dunham, DDS

Arbitration
No. 97-00132

Name of Respondent(s)

Investors Associates, Inc.
Jaron Equities Corp.
David Reynolds (also known as David Reynoso)

REPRESENTATION

For Claimant: Robert Stratton Felker, Esq., Tacoma, Washington

For Respondents Investors Associates, Inc. and David Reynolds (also known as David Reynoso): M. David Sayid, Esq., Sayid And Associates, Hackensack, New Jersey

For Jaron Equities Corp.: Charles M. O'Rourke, Esq., Hicksville, New York

CASE INFORMATION

Statement of Claim filed: December 31, 1996

Claimant's Reply to Amended Statement of Answer filed: April 25, 1997

Claimant's Pre-Hearing Statement filed on or about: February 5, 1998

Claimant's Submission Agreement signed: December 31, 1996

Statement of Answer filed by Respondent Investors Associates, Inc.: February 24, 1997

Amended Statement of Answer filed by Respondents Investors Associates, Inc., Kyle Piechucki and Dean Graham: February 24, 1997

Respondents did not file Submission Agreements. However, the panel determined that Respondents are subject to NASD Regulation, Inc. (NASDR) jurisdiction in accordance with Section 10301 of the NASDR Code of Arbitration Procedure.

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):

July 17, 1997 (one session)
September 19, 1997 (one session)
November 12, 1997 (one session)
December 30, 1997 (one session)

Hearing Date(s)/Session(s): February 25, 1998 (one session)

Hearing Location: Seattle, Washington

CASE SUMMARY

Claimant alleged that the above-captioned dispute concerns the mishandling of securities by Kyle Piechucki, Dean Graham and David Reynolds while they were employed by Investors Associates, Inc. Claimant further alleged that the above-captioned dispute also involves Piechucki and Graham for their activities in continuing the improper handling of Claimant's account when they moved their employment to Jaron Equities Corp. Claimant further alleged that the three stocks involved in this matter represent only a portion of the transactions which were handled by the Respondents, and while involving substantial amounts of money, were not the ones involving the highest dollar amount. Claimant further alleged that they nevertheless represent a gross mishandling of Claimant's account.

Respondents denied Claimant's allegations of wrongdoing and alleged that Claimant's Claim is without merit and entirely fails to mention how Respondents in any way are responsible for any of Claimant's losses. Respondents further alleged that each and every trade was discussed with Claimant and upon his consent, the trade was effectuated. Respondents further alleged that all of the trades were authorized, all disclosed to Claimant prior to being transacted, some of the trades were unsolicited transactions and the commissions earned were all disclosed, not ambiguous at all, and in full accordance with industry rules and regulations. Respondents also asserted affirmative defenses.

RELIEF REQUESTED

Claimant's Claim requested a judgment against Respondents in the amount of \$114,985.00, together with interest and attorney's fees, and any loss which may have been incurred pending the final resolution of Claimant's Claim.

Respondents requested that Claimant's Claim be denied in its entirety, and requested that Respondent be awarded the costs, fees, expenses and reasonable attorneys' fees in an amount not less than \$5,000.00. Respondents further requested such other and further relief as justice and equity require.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 26, 1997, Claimant was advised that NASDR does not maintain jurisdiction with respect to M. David Sayid and that Mr. Sayid has not voluntarily submitted to NASDR jurisdiction. On or about January 9, 1998, the panel granted Mr. Sayid's Motion to Dismiss on the basis that NASDR does not have personal jurisdiction over Mr. Sayid.

On or about February 19, 1998, the panel of arbitrators reviewed and considered the positions of the parties relative to Mr. Sayid's submission of February 11, 1998, requesting that he and his client appear at hearing via telephone. The panel denied the request.

At hearing, the panel granted Claimant's motion to amend his caption and his Claim to include David Reynoso.

Respondents did not appear at the evidentiary hearing. The panel of arbitrators determined that service and notice were properly effectuated with respect to Respondents and ruled to proceed in Respondents' absence. The panel also reviewed and considered the motion to challenge the panel for cause filed by Respondents Investors Associates, Inc. and David Reynolds on February 24, 1998. The panel denied the motion.

During the evidentiary hearing, the panel of arbitrators received notice of the bankruptcy filings with respect to Kyle Piechucki and Howard Dean Graham (also known as Dean Graham). As a result of the bankruptcy filings and the automatic stay, the panel did not issue any Award against Respondents Piechucki and Graham.

Claimant agreed that the Award in this matter may be executed in either counterpart copies or that a handwritten, signed Award may be entered. In either case, Claimant has agreed to receive conformed copies of the Award while the originals remain on file with NASDR.

AWARD

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

1. Respondents Investors Associates, Inc. and David Reynolds, also known as David Reynoso, are jointly and severally liable for and shall pay to Claimant the sum of \$81,817.00.

2. Respondent Jaron Equities Corp. is solely liable for and shall pay to Claimant the sum of \$22,243.00.

3. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES


Pursuant to Section 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed: NASDR shall refund the \$750.00 hearing session deposit previously deposited by the Claimant. Forum fees are assessed against Respondents Investors Associates, Inc., Jaron Equities Corp. and David Reynolds, jointly and severally, in the amount of \$2,400.00 and are calculated as follows: One pre-hearing session times \$750.00, plus three pre-hearing sessions times \$300.00, plus one hearing session times \$750.00.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Linda J. Deola, Esq.	Public Arbitrator
Katherine Hendricks, Esq.	Public Arbitrator
Paul A. Maffeo	Industry Arbitrator

Concurring Arbitrators' Signatures



Linda J. Deola, Esq.

Katherine Hendricks, Esq.

Paul A. Maffeo

Date of Decision: 3.16.98

Date Served: March 26, 1998

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Paul A. Maffeo	Industry Arbitrator

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