

NASD Regulation, Inc.

Name of Claimant

Case No.
97-00141

Island Securities, Inc.
Alan S. Cohen
Jonathan E.S. Bekhor

For Karen Beale ("Claimant") appeared Dan A. Druz, Esq., a sole practioner, located in Manasquan, New Jersey.

Respondent Jonathan E.S. Bekhor ("Bekhor") appeared pro se.

Respondent Alan S. Cohen ("Cohen") appeared pro se.

For Respondent Island Securities, Inc. ("Island") appeared John Lee, of Island Securities, Inc., located in Garden City, New York.

Claimant's Statement of Claim was filed on January 21, 1997.
Claimant's Submission Agreement was signed on October 28, 1996.

No Statements of Answer were filed by Respondents.
No Submission Agreements were signed by Respondents.

Pre-Hearing Conferences:

September 11, 1997 - one session
November 3, 1997 - one session

Hearing Dates/Sessions:

September 15, 1998 - two sessions
September 16, 1998 - two sessions

Hearing Location:

NASD Regulation, Inc., Office of Dispute Resolution,
New York, New York

CASE SUMMARY

Claimant commenced this arbitration proceeding to recover actual and punitive damages in the amount of \$51,000 arising from alleged fraudulent and negligent administration of her investment account maintained by Island Securities, Inc. Claimant alleged that Island's registered representatives, Alan Cohen and Jonathan Bekhor: (1) directed unsuitable trades inconsistent with Claimant's desire for security and growth; (2) misrepresented material facts to Claimant regarding her investments; and (3) conducted trades for the sole purpose of increasing commissions. Claimant alleged that her funds were diminished as a result of Island's failure to supervise Messrs. Cohen and Bekhor's misconduct.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages in the amount of \$26,000;
2. Punitive damages in the amount of \$25,000;
3. Claimant's costs, expenses and disbursements, including attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD Regulation, Inc. ("NASD Regulation").

Island Securities, Bekhor and Cohen did not file with NASD Regulation, Inc. a properly executed submission agreement but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure ("the Code") and having appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators have determined that Respondents Island Securities, Inc., Alan Cohen, and Jonathan Bekhor have been properly served with the Statement of Claim pursuant to rule 10302 and Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondents Island Securities, Inc., Alan Cohen, and Jonathan Bekhor has received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

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 Island Securities, Inc., Cohen, and Bekhor, jointly and severally, are to pay Claimant compensatory damages in the amount of \$23,000; post hearing interest will run at seven and one-half percent (7.5%) simple interest per annum from the date of this award.
2. That Respondent Island Securities, Inc. is liable to Respondents Cohen and Bekhor for any amounts paid by Cohen and Bekhor to Claimant.

3. Any and all claims for relief not specifically addressed herein are denied in their entirety.

OTHER COST

Pursuant to Rule 10333 of the Code, Island was assessed a member surcharge in the amount of \$300.00 which has not been paid.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

2 Pre Hearing Conferences (Full Panel)	x	\$500.00	=	\$1,000.00
4 hearing sessions	x	\$500.00	=	\$2,000.00
Total			=	\$3,000.00
Minus Claimant Hearing Session Deposit				(\$ 500.00)
Outstanding Balance			=	\$2,500.00

Forum Fees Assessed Against: Respondents Cohen and Bekhor, equally, so that each Respondent is assessed forum fees in the amount of \$1,250 with a claim over to Island Securities for any forum fees paid by Cohen and Bekhor. Respondents Cohen and Bekhor are to reimburse Claimant the hearing session deposit in the amount of \$500.00.

Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

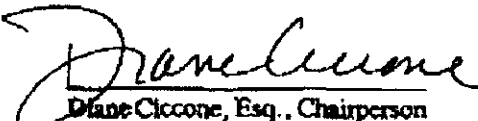
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Date Award Signed

Concurring Arbitrator's Signature


Diane Ciccone, Esq., Chairperson
Public Arbitrator

I, Diane Ciccone, 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.

Saul Scheier, Esq., Panelist
Public Arbitrator

I, Saul Scheier, 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.

Sheldon Lasher, Panelist
Industry Arbitrator

I, Sheldon Lasher, 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.

- Declaration:

October 27, 1998

Date Award Signed

Concurring Arbitrator's Signature

Diane Ciccone, Esq., Chairperson
Public Arbitrator

I, Diane Ciccone, 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.

10/26/98

Saul Scheier, Esq., Panelist
Public Arbitrator

I, Saul Scheier, 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.

Sheldon Lasher, Panelist
Industry Arbitrator

I, Sheldon Lasher, 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.

Date Award Served by NASD Regulation:

October 27, 1998