

AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Steven Olszewski,

Claimant,

v.

No. 98-00315

PIM Global Equities, Inc.,
and Erin Meehan,

Respondents.

REPRESENTATION OF PARTIES

Claimant Steven Olszewski ("Claimant") was represented by Delmer C. Gowing, III, Esq. and Robert R. Adler, Esq. of Delmer C. Gowing, III, P.A. located in Delray Beach, Florida.

Respondent PIM Global Equities, Inc. ("PIM") appeared through Mark E. Yegge of PIM located in Clearwater, Florida. Respondent PIM was previously represented by Chad A. Atkins, Esq. of Littleton, Colorado.

Respondent Erin Meehan ("Meehan") appeared pro se. Respondent Meehan was previously represented by Mark Yegge of PIM located in Clearwater, Florida.

CASE INFORMATION

The Statement of Claim was filed on or about January 27, 1998.

Claimant's Submission Agreement was signed on January 12, 1998.

The Joint Statement of Answer was filed on or about April 6, 1998.

The Submission Agreement of Respondent PIM was signed on March 29, 1998.

The Submission Agreement of Respondent Meehan was signed on March 31, 1998.

The First Amended Statement of Claim was filed on or about April 20, 1998.

The Second Amended Statement of Claim was filed on or about August 26, 1998.

HEARING INFORMATION

The telephonic pre-hearing was held on October 9, 1998 for one (1) session. The hearing was held on October 12, 1998 for two (2) sessions and October 13, 1998 for two (2) sessions. The hearing location was Southfield, Michigan.

CASE SUMMARY

This claim arose out of Claimant's securities account at PIM. Respondent Meehan was a registered representative assigned to Claimant's account.

Claimant alleged that Respondent Meehan was not licensed to transact securities business in the State of Michigan as a registered representative, yet nevertheless did so on an ongoing basis for Claimant in violation of M.C.L.A. 451.601, section 210(a). Claimant contended that Respondents forged a change-of-address authorization in order to falsely create the appearance that Claimant notified Respondents that he moved to Florida. Claimant asserted that in direct contravention to Claimant's instructions, Respondent Meehan failed to liquidate Claimant's account after the balance dropped below \$50,000, and failed to apprise Claimant of such losses despite ample opportunity to do so.

Respondents PIM and Meehan (collectively referred to as "Respondents") denied all liability to Claimant in the Joint Statement of Answer. Respondents contended that Claimant had moved to Florida from Michigan, as evidenced by a change-of-address authorization signed by Claimant. Respondents also contended that most trades were transacted by John Schaible who is registered in Florida and Michigan. Respondents denied that Claimant instructed them, either orally or in writing, to liquidate his account after the balance dropped below \$50,000. Respondents asserted that they fully, professionally and accurately performed their fiduciary and supervisory duties, and followed all Claimant's instructions concerning his account.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested an award of \$31,507.19, plus interest and attorney fees. At the hearing, Claimant requested an award of \$34,865, plus a return of \$4,270 in commissions, interest of \$3,660, and attorney fees of \$14,295, as well as punitive damages in the amount of \$75,000.

Respondents requested that the Statement of Claim be dismissed in its entirety with prejudice, plus an award of attorney fees and costs. Respondents also requested that all reference to this

matter be expunged from the Central Registration Depository of the National Association of Securities Dealers, Inc.

OTHER ISSUES CONSIDERED & DECIDED

Respondents' Motion to Transfer Venue to Tampa, Florida was denied.

Respondents' Motion to Dismiss was denied.

Claimant's Motion to Amend Statement of Claim was granted.

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 original(s) remain on file with NASD Regulation, Inc. Office of Dispute Resolution.

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) That Respondents PIM Global Equities, Inc. and Erin Meehan are jointly and severally liable for and shall pay to Claimant Steven Olszewski compensatory damages in the amount of \$24,000.00;
- (2) That other than forum fees which are specified below, the parties shall each bear their own costs, attorney fees and expenses incurred in this matter; and
- (3) That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each pre-hearing conference, if any. There were five (5) hearing sessions, including the pre-hearing session with arbitrators, x \$400 = \$2,000 in forum fees. Pursuant to Rule 10332(b) of the Code, a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to Rule 10332(c) of the Code, NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$150 and shall retain as forum fees the hearing session deposit in the amount of \$400 previously deposited by the Claimant.

Pursuant to Rule 10332(c) of the Code, Claimant is liable for and shall pay forum fees in the amount of \$600 (1/2 forum fees - hearing session deposit).

Pursuant to Rule 10332(c) of the Code, Respondents are liable for and shall pay forum fees in the amount of \$1,000 (1/2 forum fees).

Pursuant to Rule 10333 of the Code, Respondent PIM has paid to NASD Regulation, Inc. the \$800 member surcharge previously invoiced.

Pursuant to Rule 10333 of the Code, Respondent PIM shall pay to NASD Regulation, Inc. the \$1,600 past due member process fees previously invoiced.

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

Concurring Arbitrators' Signatures:

\s\ Barry Goldman
Barry Goldman, Esq.
Chairperson
Public Arbitrator

November 5, 1998
Dated:

\s\ Stuart Sinai
Stuart Sinai, Esq.
Panelist
Public Arbitrator

November 5, 1998
Dated:

\s\ Brace K. Case
Brace K. Case, Esq.
Panelist
Industry Arbitrator

November 5, 1998
Dated:

For NASD Regulation use only:
Date award served on parties:

November 9, 1998