

AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

John Strode, and
Shari Strode

and

98-00377

Name of Respondents

Meyers-Pollock Robbins, Inc.,
John Dixon, and
Issach Flash

REPRESENTATION OF PARTIES

John Strode, and Shari Strode ("Claimants") appeared on their own behalf.

Meyers-Pollock Robbins, Inc. ("MPR") was not represented and failed to appear at the hearing.

John Dixon, a/k/a Yan Dikshteyn ("**Dixon**") was not represented, and failed to appear at the hearing.

Issach Flash a/k/a Igor M. Fleyshmakher ("**Flash**") was not represented and failed to appear at the hearing.

CASE INFORMATION

Claimants filed the Statement of Claim on or about January 27, 1998, and signed their Submission Agreement on January 27, 1998.

Respondent Flash filed a Statement of Answer and Counterclaim on or about March 31, 1998. NASD Regulation, Office of Dispute Resolution does not have a Submission Agreement on file for Respondent Flash.

Respondents MPR and Dixon failed to Answer the Statement of Claim.

HEARING INFORMATION

The Arbitration Panel held a hearing on October 2, 1998 in Louisville, Kentucky for a

On May 9, 1996 Claimants requested that Dixon sell \$40,000.00 of HFCI, and were told that Dixon would begin working on the request immediately. Over the next 15 conversations concerning the sale of HFCI, Dixon told Claimants that: Claimant would be receiving \$40,000 to \$42,000 and everything was fine; there was a problem with the check issued by Bear Stearns and it had to be reissued; Bear Stearns did not get the order through; and that he had orders for clients for another 2 million shares. When Claimant complained to Bear Stearns, Claimants were told to contact Jerry Judkowitz, Director of Compliance for MPR. Claimants contacted Mr. Judkowitz, and were told that Mr. Judkowitz could not contact Dixon, that Claimants should file a complaint, and that they should contact Bruce Francis of MPR about a SEC investigation. Claimant followed the advice, and contacted Mr. Francis. On June 25, 1996, Dixon contacted Claimants and told them that market makers were controlling HFCI. Claimants stated that they received their first information on HFCI after they transferred the account to Waterhouse securities in August of 1996. Claimants alleged that no one would pay anything for HFCI after review of their numbers, and that Dixon kept the financial records from Claimant for that reason. Claimants alleged that Dixon took everything he could by lies, manipulation, extreme pressure, intimidation and with false information.

The other stock at issue is 5,000 shares of ADVR. On May 2, 1996, Claimants alleged that Dixon contacted them about purchasing 15,000 shares of ADVR due to inside information received that the stock would be "going up big" the following day. Claimants agreed to purchase 5,000 shares. Claimants stated that nothing happened the following day, and that the stock, at the time of filing the claim, was worth 20 cents a share.

In his Answer, Flash asserted that he did not in any way advise Claimants with regard to the subject stocks or make any representations. Flash further asserted that there is no allegation that he conspired with or acted in concert with Dixon to defraud the Claimants. Flash stated that he was not responsible for Dixon's actions.

RELIEF REQUESTED

In their Statement of Claim, Claimants requested an award of the following: Compensatory damages of \$61,197.00 for HFCI and \$7,060.00 for ADVR; and punitive damages of \$30,000.00.

In his Answer, Flash denied the allegations asserted against him. Additionally, Flash requested that a Counterclaim be interposed against the Claimants for submission of an action that failed to state a claim.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that the Respondents have been properly served with the Statement of Claim pursuant to Rules 10302 and 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that the Respondents have 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.

The parties present at the hearing 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:

Respondents MPR, Dixon and Flash are jointly and severally liable for, and shall pay to the Claimants the following amounts: Compensatory damages of \$65,677.00; Interest of \$14,750.00; punitive damages of \$10,000.00; and filing fee costs in the amount of \$650.00.

FORUM FEES

Forum fees are calculated at the rate of \$500 per hearing session and \$300 for each prehearing conference, if any. There was one (1) hearing session x \$500 = \$500 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 \$500 previously deposited with NASD Regulation, Inc. Office of Dispute Resolution by the Claimants.

Pursuant to Rule 10332(c) of the Code, Respondent Flash shall pay to NASD Regulation, Inc. Office of Dispute Resolution a non-refundable Counterclaim filing fee in the amount of \$500.

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

Dated:

Earle R. Frost*

/s/

October 20, 1998

Earle R. Frost

Public Arbitrator, Presiding Chair

David L. Gittleman

/s/

October 13, 1998

David L. Gittleman

Public Arbitrator

Phillip Barry Wise

/s/

October 13, 1998

Phillip Barry Wise

Industry Arbitrator

*Arbitrator Frost concurs in part and dissents in part in that he would not award punitive damages against Respondent Flash.