

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

M. Tariq Ansari

Case No. 99-02049

Names of Respondents

Jeff Baron
M. Ali Khan
Klein, Maus and Shire, Inc.
Naseer Husain
McKYLE Clyburn

REPRESENTATION OF PARTIES

Claimant M. Tariq Ansari ("Ansari"), hereinafter referred to as "Claimant", appeared pro se.

Respondent Jeff Baron ("Baron") did not appear.

Respondent Mohammad Ali Khan ("Khan") did not appear.

Respondent Klein, Maus and Shire, Inc. ("KMS") did not appear.

Respondent Naseer Husain ("Husain") did not appear.

Respondent McKYLE Clyburn ("Clyburn") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: June 1, 1999.

Claimant Ansari signed the Uniform Submission Agreement: May 24, 1999.

Statement of Answer filed by Respondent Clyburn on or about: August 23, 1999.

Respondents Clyburn, Baron, Khan, KMS and Husain did not file executed Uniform Submission Agreements.

Respondents Baron, Kahn, KMS and Husain did not file Statements of Answer.

CASE SUMMARY

Claimant asserted causes of action sounding in fraud and conspiracy to commit fraud arising from Respondents' knowingly and deliberately recommending inappropriate investments, misrepresentations regarding a private placement of Respondent KMS stock ("the private placement") and unauthorized securities transactions in Claimant's account. Claimant alleged the following: Between December 1996 and April 1997, Claimant purchased securities of Global Medical Technologies Inc. ("Global") and S3, Inc., having received investment guarantees by Respondent Baron, who additionally stated that he earned no money for these transactions and on occasion misrepresented Global daily trading volume. In April, 1997, Claimant invested in the private placement after being misled by Respondents Baron and Khan as to Respondent KMS' annual revenues, insurance, future initial public offering and as to Respondent Khan's own qualifications. Claimant sent a check in the amount of \$120,000.00 to Respondent KMS payable to "Citibank Escrow Account for KMS Private Placement". Respondents Baron and Khan additionally misrepresented the status of the escrowed funds, transaction insurance and levels of risk. During the following months, despite Claimant's repeated inquiries as to the status of the private placement, Claimant's investment therein was never reflected in account statements by Respondents. In August, 1998, an unauthorized trade for Intercorp Excellence, Inc. warrants was executed in Claimant's account by Respondent Clyburn, who had replaced Respondent Baron as Claimant's broker.

Respondent Clyburn denied the allegations made in the Statement of Claim and asserted the following: Respondent Clyburn was initially employed at Respondent KMS as a "cold caller", assisting brokers by contacting potential investors and forwarding them to a registered representative. As a non-registered cold caller, Respondent Clyburn, therefore, could not have effected, and did not effect securities transactions in Claimant's account. Respondent Clyburn further denied conducting any securities transactions with Claimant when Respondent Clyburn was later registered as a broker. Respondent Clyburn resigned and left Respondent KMS in August, 1998 and asserted that "someone using (his) name" at Respondent KMS had later spoken with Claimant. Respondent Clyburn denied making any recommendations to Claimant with respect to the securities in question and received neither commissions nor other compensation for Claimant's activities at Respondent KMS.

RELIEF REQUESTED

Claimant requested compensatory damages of \$141,926.00.

Respondent Clyburn did not specifically delineate a relief request.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Baron, Khan, KMS and Husain did not appear. Upon review of the file and the representations made by the Claimant, the undersigned arbitrators ("Panel") determined that Respondents Baron, Khan, KMS and Husain have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration

Procedure (the "Code").

Respondents Baron, Khan, KMS and Husain did not file with the NASD Regulation, Inc. Office of Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

Respondent Clyburn did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

The parties present at the evidentiary hearing have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents KMS, Khan, Baron and Husain are liable, jointly and severally, and shall pay to Claimant compensatory damages of \$141,926.00.
2. Prejudgment interest shall apply to the compensatory damages of \$141,926.00 at the rate of seven percent (7%) per annum and shall begin to accrue as of April 9, 1997 and shall continue to accrue until the award is paid in full.
3. Respondents KMS, Khan, Baron and Husain are liable, jointly and severally, and shall pay to Claimant \$300.00, representing reimbursement of the claim filing fee paid by Claimant to NASD Regulation, Inc.
4. Respondent Clyburn is exonerated and the claim against him is dismissed.
5. All other requests for relief not specifically addressed herein are dismissed.

FEES

Pursuant to the Code, the Following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$300.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,125.00 = \$1,125.00
Pre-hearing conference: January 10, 2000 1 session

One (1) Hearing session x \$1,125.00 = \$1,125.00
Hearing Date: February 17, 2000 1 session

Total Forum Fees = \$2,250.00

The Panel has assessed the total forum fees of \$2,250.00 jointly and severally to Respondents KMS, Khan, Baron and Husain.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$300.00
Total Fees	= \$300.00
<u>Less payments</u>	<u>= \$300.00</u>
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondents KMS, Khan, Baron and Husain be and hereby are jointly and severally for:

Forum Fees	= \$2,250.00
Total Fees	= \$2,250.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Regulation, Inc.	= \$2,250.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

_____/s/_____
Kenneth Hoffner, M.S.
Public Arbitrator, Presiding Chair

Signature Date

_____/s/_____
Duran G. McDonald
Industry Arbitrator

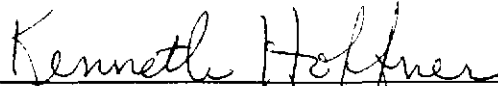
Signature Date

_____/s/_____
Robert S. Zuckerman, Esq.
Public Arbitrator

Signature Date

March 28, 2000
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures


Kenneth Hoffner, M.S.
Public Arbitrator, Presiding Chair

15 MAR 2000
Signature Date

Duran G. McDonald
Industry Arbitrator

Signature Date

Robert S. Zuckerman, Esq.
Public Arbitrator

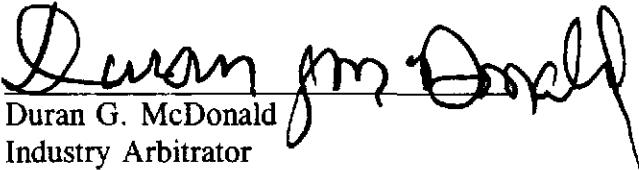
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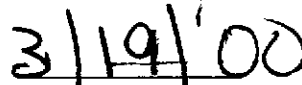
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Signature Date


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Public Arbitrator

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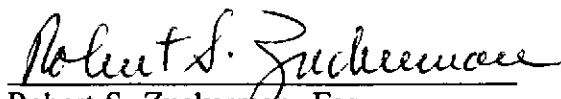
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Kenneth Hoffner, M.S.
Public Arbitrator, Presiding Chair

Signature Date

Duran G. McDonald
Industry Arbitrator

Signature Date


Robert S. Zuckerman, Esq.
Public Arbitrator

3/21/00
Signature Date

Date of Service (For NASD office use only)