

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Michael Parker

Case No. 99-02167

Names of Respondents

Investors Associates, Inc.
Herman Epstein
Lawrence J. Penna
James M. Vaughn
William M. Cutrone
Keith D. Grossman
Glenn Lavender

REPRESENTATION OF PARTIES

Michael Parker ("Parker"), hereinafter referred to as "Claimant", appeared pro se.

Respondents Investors Associates, Inc. ("Investors"), Herman Epstein ("Epstein"), Lawrence Penna ("Penna") and James M. Vaughn ("Vaughn") did not appear.

For Respondent Glenn Lavender ("Lavender"): Robert Bertsch, Esq. of the law firm of Bertsch & Associates, Port Washington, New York.

Respondents Keith D. Grossman ("Grossman") and William M. Cutrone ("Cutrone") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: May 11, 1999.

Response to Respondent Grossman's Answer filed on or about: October 27, 1999.

Claimant signed the Uniform Submission Agreement: May 4, 1999.

Statement of Answer filed by Respondent Grossman on or about: August 24, 1999.

Respondent Grossman signed the Uniform Submission Agreement: August 26, 1999.

Respondents Investors, Epstein, Penna, Vaughn, Lavender and Cutrone did not file Statements of Answer.

Respondents Investors, Epstein, Penna, Vaughn, Lavender and Cutrone did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action: violation of the Georgia Securities Act; fraud; breach of fiduciary duty; negligence; and, negligent failure to supervise. The causes of action relate to Respondents' misrepresentations, failure to follow Claimant's instructions and sale to Claimant of unsuitable investments, specifically, shares of stock in Aphx and Perry's Majestic Beer.

Respondent Grossman asserted the following: Claimant was never Respondent Grossman's client; Respondent Grossman never traded in Claimant's account in any capacity; Respondent Grossman never provided any investment advice or quotations to Claimant; and, Respondent Grossman never received a commission for any trade executed in Claimant's account.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	approximately \$95,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	unspecified

Respondent Grossman requested a dismissal of all claims asserted against him.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Investors, Epstein, Penna, Vaughn and Grossman did not attend the evidentiary hearing. Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondents Investors, Epstein, Penna, Vaughn and Grossman 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 Investors, Epstein, Penna, Vaughn and Cutrone 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.

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.

On or about September 2, 1999, Claimant informed NASD Regulation, Inc. that he had withdrawn, with prejudice, all claims asserted against Respondent Lavender.

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:

Respondents Investors, Penna and Epstein are liable, jointly and severally, and shall pay to Claimant compensatory damages in the sum of \$98,976.00, bank loan fees in the sum of \$187.00 plus attorneys' fees in the sum of \$500.00 pursuant to O.C.G.A. Section 9-15-14.

Respondent Grossman is jointly and severally liable with Respondents Investors, Epstein and Penna for the compensatory damage award of \$98,976.00 referenced above to the sum of \$75,186.00.

Respondent Cutrone is jointly and severally liable with Respondents Investors, Epstein and Penna for the compensatory damage award of \$98,976.00 referenced above to the sum of \$12,802.00.

Respondent Vaughn is jointly and severally liable with Respondents Investors, Epstein and Penna for the compensatory damage award of \$98,976.00 referenced above to the sum of \$12,650.00.

All other requests for relief not specifically addressed herein are denied.

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 = \$225.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the broker/dealer, Investors, was no longer a member firm of the NASD upon the commencement of this arbitration.

Adjournment Fees

Adjournments requested during these proceedings:

No adjournments were requested during these proceedings.

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One Pre-hearing session with Panel x \$750.00	= \$750.00
Pre-hearing conference: January 18, 2000	1 session
Two Hearing sessions x \$750.00	= <u>\$1,500.00</u>
Hearing Date: April 13, 2000	2 sessions
Total Forum Fees	= \$2,250.00

The Panel has assessed the total forum fees of \$2,250.00 jointly and severally to Respondents Investors, Epstein, Penna, Grossman, Cutrone and Vaughn.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimant Michael Parker be and hereby is solely liable for:

Initial Filing Fee	= \$225.00
Total Fees	= \$225.00
<u>Less payments</u>	<u>= \$225.00</u>

Balance Due NASD Regulation, Inc. = \$0.00

Respondents Investors, Epstein, Penna, Grossman, Cutrone and Vaughn be and hereby are jointly and severally liable 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/_____
Ellwood F. Oakley, III, Esq.
Public Arbitrator, Presiding Chair

Signature Date

_____/s/_____
Fran L. Rothenberg, Esq.
Public Arbitrator

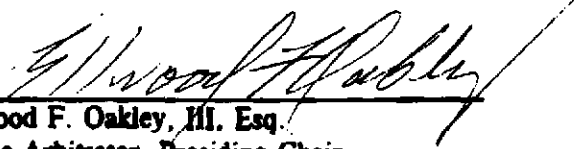
Signature Date

_____/s/_____
Donald M. Swift
Industry Arbitrator

Signature Date

May 9, 2000
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures



Ellwood F. Oakley, III, Esq.
Public Arbitrator, Presiding Chair

5-8-00

Signature Date

Fran L. Rothenberg, Esq.
Public Arbitrator

Signature Date

Donald M. Swift
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

Ellwood F. Oakley, III, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Fran L. Rothenberg, Esq.
Public Arbitrator

4/21/2000

Signature Date

Donald M. Swift
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

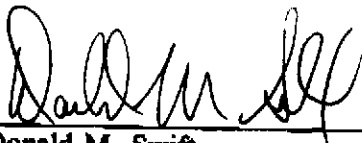
Concurring Arbitrators' Signatures

Ellwood F. Oakley, III, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Fran L. Rothenberg, Esq.
Public Arbitrator

Signature Date



Donald M. Swift
Industry Arbitrator

4/20/00

Signature Date

Date of Service (For NASD office use only)