

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Cosimo Venneri, (Claimant) vs. Spencer-Winston Securities Corporation, Jason Weisz, and Oscar Echman, (Respondents)

Case Number: 00-04432

Hearing Site: New York, New York

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**REPRESENTATION OF PARTIES**

Claimant, Cosimo Venneri, hereinafter referred to as "Claimant": Joseph F. Keenan, Esq., McCanliss & Early, LLP, New York, NY. Previously represented by: Mary C. Freeze, Esq., a sole practitioner, Brooklyn, NY.

Respondent, Spencer-Winston Securities Corporation ("Spencer"): Oscar Echman, President, Spencer-Winston Securities Corporation, New York, NY.

Respondents, Jason Weisz ("Weisz") and Oscar Echman ("Echman"), appeared *pro se*.

**CASE INFORMATION**

Statement of Claim filed on or about: October 5, 2000.

Claimant signed the Uniform Submission Agreement: August 25, 2000.

Joint Statement of Answer filed by Spencer and Weisz on or about: November 28, 2000.

Spencer signed the Uniform Submission Agreement: November 9, 2000.

Weisz signed the Uniform Submission Agreement: November 10, 2000.

Statement of Answer filed by Echman on or about: November 28, 2000.

Echman signed the Uniform Submission Agreement: November 7, 2000.

**CASE SUMMARY**

Claimant asserted the following causes of action: unauthorized trading; fraudulent conduct; violations of the Securities Exchange Act of 1934; violations of Regulation "T"; failure to supervise; and negligent handling of account. Claimant's claim involved the stock of Igate Cap Corp ("Igate").

Unless specifically admitted in their Answer, Spencer and Weisz denied the allegations made in the Statement of Claim and asserted the following defenses: Spencer is a discount broker, and all orders received and executed are unsolicited, non-recommended, and initiated by the customers; Weisz never purposely refused to answer Claimant's telephone calls, and conducted his due diligence to fully investigate Claimant's complaint; Weisz did not execute an unauthorized trade, and did not have any monetary incentive to do so, since he does not receive commissions as a registered representative; Claimant's previous investments with Spencer were neither conservative nor prudent; Claimant signed and executed a margin agreement; Claimant has failed, in his arguments, to introduce any proof that he did not place the order in question; and Claimant has failed to mitigate his alleged damages.

### **RELIEF REQUESTED**

Claimant requested:

- a. Rescission of the unauthorized purchase of 300 shares of Igate; or in the alternative:
- b. Compensatory damages equal to the purchase price of the unauthorized purchase of Igate in the amount of \$20,593.25;
- c. Punitive damages in an amount equal to three times the purchase price of Igate;
- d. The costs and fees associated with filing this proceeding, including an Award of attorneys' fees; and
- e. Such other relief as the Panel may deem appropriate.

Spencer and Weisz requested that Claimant's claim and requests for damages be denied in their entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

During the hearing in this matter, Respondent Echman made a Motion to Dismiss the claims against him personally. Said Motion was accepted by the Claimant and approved by the Panel.

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.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Spencer and Weisz be and hereby are jointly and severally liable for and shall pay to Claimant the sum of \$20,593.25 as compensatory damages.
2. The 300 shares of Igate stock in question shall be transferred from Claimant's personal account into Spencer's house account. The disposition of said Igate stock will then be at the sole discretion of Spencer.
3. Claimant's request for punitive damages is hereby denied.
4. All other requests for relief are hereby denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 225.00
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#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Spencer-Winston Securities Corporation is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

### **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 \$750.00 = \$ 750.00  
Pre-hearing conference: May 8, 2001 1 session

Two (2) Hearing sessions x \$750.00 = \$1,500.00  
Hearing Date: February 14, 2002 2 sessions

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Total Forum Fees = \$2,250.00

1. The Panel has assessed \$1,125.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,125.00 of the forum fees jointly and severally against Spencer and Weisz.

### **Fee Summary**

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= <u>\$1,125.00</u>
Total Fees	= \$1,350.00
<u>Less payments</u>	= <u>\$ 975.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 375.00

2. Spencer be and hereby is solely liable for:

<u>Member Fees</u>	= <u>\$3,100.00</u>
Total Fees	= \$3,100.00
<u>Less payments</u>	= <u>\$ 546.55</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,553.45

3. Spencer and Weisz be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= <u>\$1,125.00</u>
Total Fees	= \$1,125.00
<u>Less payments</u>	= <u>\$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,125.00

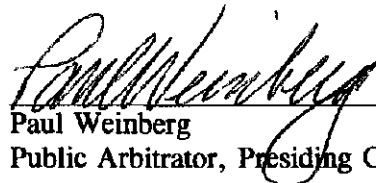
All balances are due and payable to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Paul Weinberg	-	Public Arbitrator, Presiding Chair
Harold Rubin	-	Public Arbitrator
B. David Jarashow, Esq.	-	Industry Arbitrator

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, 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.

  
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Paul Weinberg  
Public Arbitrator, Presiding Chair

MARCH 21, 2002  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Harold Rubin  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
B. David Jarashow, Esq.  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD office use only)

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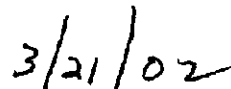


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Harold Rubin  
Public Arbitrator

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Signature Date



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Signature Date

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B. David Jarashow, Esq.  
Industry Arbitrator

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Signature Date

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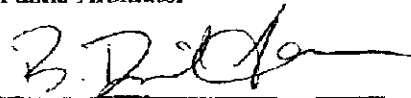
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Harold Rubin  
Public Arbitrator

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B. David Jarashow, Esq.  
Industry Arbitrator

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Signature Date

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