

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 01-00696

American Innovative Management Group, Inc.

Name of the Respondents

Hearing Site: Pittsburgh, Pennsylvania

Continental Broker-Dealer Corporation,
and David I. Cassuto

REPRESENTATION OF PARTIES

Claimant American Innovative Management Group, Inc., hereinafter referred to as "Claimant", was represented by Alphonse L. Iagnemma, Jr., American Innovative Management Group, Inc., Myrtle Beach, South Carolina.

Respondents Continental Broker-Dealer Corporation ("Continental") and David I. Cassuto ("Cassuto") were represented by Dominick Bianco, CCO, Continental Broker-Dealer Corporation, Carle Place, New York. Respondent Cassuto did not attend the hearing.

CASE INFORMATION

Statement of Claim filed on February 8, 2001.

Alphonse L. Iagnemma, Jr., President, executed Claimant's Uniform Submission Agreement on February 2, 2001.

Statement of Answer filed by Respondents on October 12, 2001.

Respondent Cassuto did not file a signed Uniform Submission Agreement with NASD Dispute Resolution.

A representative executed Respondent Continental's Uniform Submission Agreement on October 15, 2001.

CASE SUMMARY

Claimant asserted the following causes of action, among others: unauthorized transactions; and commission gouging. The causes of action relate to the purchase and sale of Chase Manhattan and Intel stock.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief may be granted; Statute of Limitations; estoppel, waiver, ratification, and laches; Respondents acted in good faith and in compliance with all applicable rules and regulations; Claimant did not reasonably rely on any wrongful action or inaction by Respondents; Respondents did not have discretionary authority over the account; Claimant controlled the

account; Respondents were not fiduciaries; Respondents adequately supervised Claimant's account; Respondents did not make any misrepresentations, untrue statements or omissions of material fact or unsuitable recommendations; failure to mitigate; allegations in Statement of Claim are conclusory; the facts in this case do not support a claim for punitive damages; award of pre-judgment interest and attorney's fees is barred as a matter of law; Respondents acted in good faith; and, Respondents did not violate RICO.

RELIEF REQUESTED

Claimant amended his Statement of Claim at the hearing and requested:

Compensatory Damages	\$ 53,900.90
Interest	\$ 22,469.82
Attorneys' Fees	\$ 420.00
Other Costs	\$ 39,122.10

Respondents in their Statement of Answer requested the claim be dismissed in all respects, and that disbursements and costs be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned Panel determined that Respondent Cassuto has 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 Respondent Cassuto present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Cassuto did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code, and having answered the Claim, is bound by the determination of the Panel on all issues submitted.

At the hearing, the Panel granted Claimant's Motion to Compel and ordered Respondent Continental to produce certain documents, which it previously agreed to and was ordered to produce. Respondent Continental was ordered to overnight several documents, most importantly Respondent Continental's compliance manual and Respondent Cassuto's CRD records.

The Panel also granted Claimant's Motion to Amend his damage requests in his Statement of Claim.

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. Respondents Continental and Cassuto are jointly and severally liable to and shall pay to Claimant compensatory damages of \$40,749.00, plus simple interest at a rate of 6% per annum from September 4, 1996 until March 16, 1999;
2. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution 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 firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, Respondent Continental is a party.

Member surcharge	= \$ 1,000.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$ 1,500.00</u>
Total Member Fees	= \$ 3,100.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 (1) Pre-hearing session with a single arbitrator @ \$ 450.00	= \$ 450.00
Pre-hearing conference: August 30, 2002 1 session	
One (1) Pre-hearing sessions with Panel @ \$ 750.00	= \$ 750.00
Pre-hearing conference: July 31, 2002 1 session	
Three (3) Hearing sessions @ \$ 750.00	= \$ 2,250.00
Hearing Dates: October 17, 2002 1 session	
October 18, 2002 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 3,450.00

1. The Panel has assessed \$ 862.50 of the forum fees to Claimant.
2. The Panel has assessed \$ 2,587.50 of the forum fees jointly and severally to Respondents.

EEE SUMMARY

1. Claimant is assessed the following fees:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 862.50
Total Fees	= \$ 1,087.50
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$ 112.50

2. Respondent Continental is assessed the following fees:

Member Fees	= \$ 3,100.00
Total Fees	= \$ 3,100.00
Less payments	= \$ 3,100.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally assessed the following fees:

Forum Fees	= \$ 2,587.50
Balance Due NASD Dispute Resolution	= \$ 2,587.50

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

N. John Garcia	-	Public Arbitrator, Presiding Chairperson
Lewis U. Davis, Jr., Esq.	-	Public Arbitrator, Panelist
AnnDrea M. Benson, Esq.	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

N. John Garcia
Public Arbitrator, Presiding Chairperson

N. John Garcia
Signature Date 11-21-02

Lewis U. Davis, Jr., Esq.
Public Arbitrator, Panelist

Signature Date

AnnDrea M. Benson, Esq.
Non-Public Arbitrator, Panelist

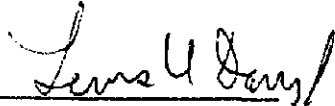
Signature Date

November 27, 2002
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

N. John Garcia
Public Arbitrator, Presiding Chairperson

Signature Date



Lewis U. Davis, Jr., Esq.
Public Arbitrator, Panelist

11/20/02

Signature Date

AnnDrea M. Benson, Esq.
Non-Public Arbitrator, Panelist

Signature Date

November 27 2002

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N. John Garcia
Public Arbitrator, Presiding Chairperson

Signature Date

Lewis U. Davis, Jr., Esq.
Public Arbitrator, Panelist

Signature Date

Ann Drea M. Benson
AnnDrea M. Benson, Esq.
Non-Public Arbitrator, Panelist

Nov. 20, 2002
Signature Date

November 27, 2002
Date of Service (For NASD Dispute Resolution office use only)