

**NASD DISPUTE RESOLUTION AWARD**  
**NASD DISPUTE RESOLUTION, INC.**

CASE: 01-02282

Joseph La Spina, claimant vs. Wall Street Discount Corporation and Investec Ernst & Company, respondents.

---

**ATTORNEYS:**

For Claimant appeared Lawrence A. Pittore, Esq., White Plains, NY.

For Respondent Wall Street Discount Corporation appeared John L. Pollock, Esq., of the firm Hoffman Pollock & Pickholz, LLP, New York, NY.

For Respondent Investec Ernst & Company appeared Edward L. Rose, Esq., in-house counsel, Woodbury, NY.

---

DATE FILED: May 3, 2001

---

**CASE SUMMARY:** Claimant alleged that respondents misrepresented Worldcom option positions in his account. Claimant maintained that due to respondents' misrepresentations, his account sustained losses.

---

**ARBITRATOR'S REPORT:** See attached addendum.

---

**Claim Data**

Claim: \$13,937.80  
Interest: unspecified  
Attorney Fees: unspecified  
Filing Fees: unspecified  
Other: unspecified

---

**Award Data**

Award: \$.00  
Interest: \$.00  
Attorney Fees: \$.00  
Filing Fees: \$.00  
Other: \$.00

---

**AWARD:** The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) The claims of claimant are dismissed in their entirety. 2) All requests for attorney fees are denied. 3) All requests for interest are denied. 4) All other relief requests are denied. 4) The \$425.00 filing fee previously deposited with NASD Dispute Resolution, Inc. by the claimant, shall be retained by NASD Dispute Resolution, Inc.

---

**OTHER FEES:** Pursuant to Rule 10333 of the Code, each respondent has paid to NASD Dispute Resolution, Inc. the \$400.00 Member Surcharge previously invoiced.

---

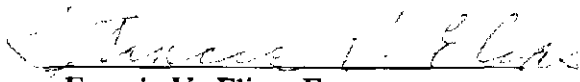
Page Two  
Award 01-02282

Francis V. Elias, Esq.

Sole Public Arbitrator

**AFFIRMATION**

I, Francis V. Elias, Esq., 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.

  
Francis V. Elias, Esq.

  
Signature Date

January 22, 2002

Date of Service (For NASD-DR office use only)

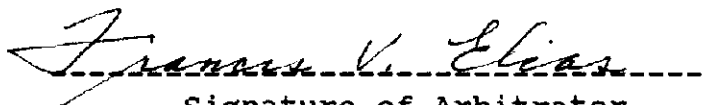
ADDENDUM TO NASD AWARD DATED 12 /13/01 IN  
LA SPINA V. WALL STREET DISCOUNT CORP. &  
INVESTED ERNEST & COMPANY  
NASD NO. 01-02282

Claimant contends that he was misled by the erroneous WorldCom put entry in the monthly statement of his account with respondent Wall Street Discount Corporation (hereinafter "WallStreet") for the period 9/25/99 thru 10/29/99 (Cl's Exh. A). Respondents contend that Claimant was a sophisticated investor who knew the true value of the subject puts, and that Claimant made no complaint of his having been misled, but laid back and played the market.

Claimant seeks to counter Respondents contention of non-complaint by asserting he placed at least twelve telephone calls to an Alan Lederfiend of WallStreet over a three week period and " \*\*\*left detailed messages wth Mr. Lederfiend's secretary explaining his problem with the WorldCom puts\*\*\*." (Cl's letter 11/8/01) However, Claimant had been silent on this point until that letter which was in response to my request for additional evidence and, therefore, lacks credibility. Furthermore, Claimant remains silent as to the nature of "his problem with the WorldCom puts". It is also surprising that Claimant made no attempt to memorialize by mail or fax his having complained in the alleged manner.

Even a cursory examination of the Claimant's monthly Wall Sreet statements submitted by the parties as exhibits for the period February, 1999 and January, 2000. (Cl's Exh. A; Resp's Exhs. A, B, C & D) reveals Claimant was familiar with the puts/calls portion of the equity market. A closer examination of those exhibits discloses that the Claimant was well involved in puts/calls. Indeed, at least on one occasion he hedged Skytel calls against Skytel puts. (Resp's Exh. A) This leads me to conclude that Claimant was not misled by the erroneously worded WorldCom put, but knew the actual value of those puts. As much is admitted in Claimant's above mentioned letter of November 8, 2001, when he says "he figured no one would put the WorldCom stock to him at \$15.00/share when it was trading in the \$70-\$80 price range." Knowing the higher value of the WorldCom stock, he must have known that his put commitment would translate into a fraction of the 10 Skytel puts he originally purchased.

Claimant also asserts that Respondents has failed to contend the subject put entry is accurate, as well they shouldn't, it being inaccurate. The point at issue in this arbitration is Claimant's understanding of the inaccurate entry. As noted above I conclude he knew the actual value of the WorldCom puts in spite of the inaccuracy and for that reason I dismiss the claim in its entirety.

  
Signature of Arbitrator