

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION

CASE: 02-05306

Robert G. DeDomenic, claimant vs. James Rogers and Dennis Moorman, respondents.

ATTORNEYS:

Claimant appeared pro se, Columbus, IN.

For Respondents appeared Michael A. Gross, Esq., of the firm Ulmer & Berne LLP, Cleveland, OH.

DATE FILED: September 9, 2002

CASE SUMMARY: Claimant alleged that respondents wrongfully penalized him for trades made during a blackout period. Claimant maintained that due to respondents' actions, the account suffered losses.

ARBITRATOR'S REPORT: See attached Exhibit A.

Claim Data

Claim: \$3,125.36
Attorney Fees: \$375.00
Filing Fees: \$175.00

Award Data

Award: \$.00
Attorney Fees: \$.00
Filing Fees: \$.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 other relief requests are denied. 4) The \$175.00 filing fee previously deposited with NASD Dispute Resolution by the claimant, shall be retained by NASD Dispute Resolution.

OTHER FEES: Pursuant to Rule 10333 of the Code, J.J.B. Hillard, W.L. Lyons, Inc., has paid to NASD Dispute Resolution the \$200.00 Member Surcharge previously invoiced.

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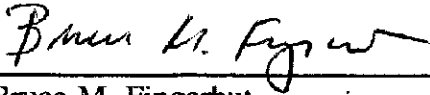
Award 02-05306

Bruce M. Fingerhut

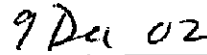
Sole Public Arbitrator

AFFIRMATION

I, Bruce M. Fingerhut, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.



Bruce M. Fingerhut



Signature Date

December 18, 2002

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

26 November 2002

Jennifer Foster
Legal Assistant
NASD Dispute Resolution
125 Broad Street, 36th floor
New York, NY 10004-2193

In Re: NASD Dispute Resolution Arbitration No. 02-05306
Robert G. DeDomenic v. James Rogers and Dennis Moorman

Dear Miss Foster:

Enclosed please find my decision checklist in the above-cited case. This is my first case under the Simplified Arbitration Procedures, and so I am unsure whether I should provide a summary and short reasoning for my decision. I am persuaded by a recent article in *The Neutral Corner* that arbitrators owe a more elaborate explanation than some have given heretofore. So I include a very brief summary below.

Synopsis

In the case cited above, Claimant DeDomenic is making claim against two members of his extended firm, Hilliard Lyons, James Rogers and Dennis Moorman (Respondents). Claimant purchased 25 PNC (the parent company of Hilliard Lyons) put options and sold 25 PNC call options on May 31, 2002. He soon left for a month's vacation, returning July 1. On July 3, he closed out the sale. On July 9, 2002, Claimant was informed by a compliance person at the firm that he had closed out on a blackout period, and the closing would have to be canceled. The next morning, July 10, Claimant called Respondent Moorman, head of the Options Department, and asked him to cancel the trade.

Respondent Moorman contacted the Compliance Department to determine the appropriate course of action. There was a delay from the early morning until late in the afternoon before the sale was "unwound" and canceled. During this period the stock rose, and the cost of unwinding rose with it, resulting in a cost of \$3,125.36.

Claimant then sought to have the cost of this action borne (or, it is hinted, shared) by Hilliard Lyons. On July 25, he was informed that Respondent Rogers, Hilliard Lyons's COO, had decided to charge the entire cost of the action to Claimant.

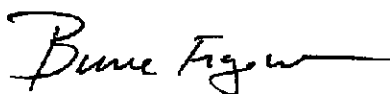
Reasoning for Decision

Claimant acknowledges that he sought to close out the positions he held during a blackout period, though he was unaware of this at the time. His sole argument seems to be that Respondent Moorman, and, by extension, the Compliance Department, which Respondent Moorman contacted for advice in this matter, did not act expediently in the matter. He explicitly makes an analogy in this regard to the speedy action one would

expect of a broker, claiming that Respondent Moorman was his broker, which is disputed by Moorman. Although it is unfortunate that the delay in this matter resulted in a much-higher cost, that cost cannot rightly be borne by Respondents. The Claimant, and only the Claimant, violated any rules or procedures.

Although there was not a formal counterclaim, the answer of Respondents did ask for all costs of defense, including reasonable attorneys' fees, which is denied.

Sincerely,

A handwritten signature in cursive script, reading "Bruce Fingerhut", with a long horizontal flourish extending to the right.

Bruce Fingerhut

Enc. Decision Checklist
Disclosure Checklist