

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
)	
Robert H. & Frances Salvage,)	
)	
Claimant,)	
)	Case #87-02565
vs.)	Award
)	
Jean Herriot Alexis,)	
)	
Respondent.)	
)	

Heard before the members of the Arbitration Panel:

Howard E. Kurzweil
 Andrew Bartfay
 Richard Ragland

CASE SUMMARY

This claim was filed with the NASD, Inc. on December 11, 1987. The hearing was conducted in Fort Lauderdale, Florida, with a total of One (1) session. Claimants Robert and Frances Salvage ("the Savages") alleged that Respondents Jean Alexis ("Alexis") and Rooney Pace, Inc. ("RP") fraudulently misrepresented to them the risk involved prior to the Salvages purchase of Securities on margin. Specifically, the Salvages alleged that Alexis misrepresented to them that the stock was backed by a sinking fund, that Alexis churned their accounts and conducted unauthorized trades. Respondent, RP was declared bankrupt and was removed as a Respondent. Alexis failed to appear at the hearing.

RELIEF REQUESTED

Claimant Frances Salvage requested damages of Ten Thousand Six Hundred Thirty-One and 01/100 (\$10,631.01) Dollars, and Robert Salvage requested Twelve Thousand Three Hundred Seventy-Three and 90/100 (\$12,373.90) Dollars. Respondent Alexis failed to defend.

AWARD

On June 6, 1989, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on December 2, 1987, and not signed by Respondent as required pursuant to Section 12(a) of the NASD Code of Arbitration Procedure ("Code"). Respondent being a person associated with an NASD member firm, RP during the time this controversy arose. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing and Alexis neither appearing at the hearing nor seeking any adjournment thereof, notwithstanding his knowledge of this arbitration, as evidenced more fully below, has determined in full and final resolution of the issues submitted for determination as follows:

- c). January 12, 1989, confirmation memo sent by certified mail and setting forth the date for the hearing to 15 Marden Lane, Suite 803, New York, New York 10038 (Returned, marked refused as evidenced by Arbitrators Exhibit #2(c)).
 - d). January 17, 1989, Hearing Advance Sheet setting forth time, date and location of hearing sent to Marden Lane address (while no receipt was returned to the NASD, Inc. neither was this mail ever returned as unclaimed, as evidenced by Arbitrators Exhibit #2(d)).
 - e). January 30, 1989, Memo postponing the hearing date sent by Federal Express to 300 East 34th Street, New York, New York 10016. Federal Express called on January 31, 1989 to inform the NASD staff that Respondent Alexis was not at that address. Federal Express was asked to deliver the above to 117-51 220th Street, Cambria Heights, New York (as evidenced by Arbitrators Exhibit #2(e)).
 - f). February 3, 1989, Confirmation memo setting forth the date, time and location of hearing sent by Federal Express to the Cambria Heights address (this mail was never returned as unclaimed, as evidenced by Arbitrators Exhibit #2(f)).
3. Pursuant to an order entered in the Bankruptcy Court for the Southern District of New York, case number 87B12123CB, dated December 9, 1987 and signed by Judge Cornelius Blackshear, and pursuant to an Order Staying Suits and Enjoining Utilities entered in the Bankruptcy Court for the Southern District of New York, dated December 4, 1987, and signed by Judge Cornelius Blackshear, the NASD, Inc. removed RP as a party in this matter as evidenced by Arbitrators Exhibit #2(g)).

ARBITRATORS CONCURRING

Howard E. Kurzweil
Andrew Bartfay
Richard Ragland

Dated: June 21, 1989