

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Dean I. Ader

88-00270

Name of Respondent(s)

Frank Grillo

Heard before:

Name

Public/Industry

Edward Brunet \_\_\_\_\_

Public \_\_\_\_\_

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on January 21, 1988.

Claimant alleged that Frank Grillo, who represented Equities International Corporation and who was apparently an officer or director at Versailles Capital Corporation, lied and used false pretenses to obtain \$5,000.00 to purchase stock or warrants in Centrum Business Systems, Inc. Respondents Equities International Corporation and Securities Settlement Corporation denied any knowledge of or that they made any misrepresentation to Claimant regarding the purchase of 100,000 shares of Centrum Business Systems, Inc. and alleged that Claimant did not allege any wrongdoing on the part of Equities or Securities Settlement Corporation. Respondent Versailles asserted that there is no legitimate claim to be made against it, that at no time was Versailles Capital a party to the transaction in question and that Frank Grillo is no longer an officer or director at Versailles. Respondent Grillo denied the allegations in the claim and asserted that the allegations may be construed as slanderous and libelous.

DAMAGES AND RELIEF REQUESTED

Claimant requested the return of his \$5,000.00 invested. Equities International Corporation and Securities Settlement Corporation requested that Claimant's case be dismissed, with costs to Claimant.

### DAMAGES AND RELIEF AWARDED

On February 15, 1991, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on December 22, 1987, by Respondent Frank Grillo on September 6, 1988, and by Respondent Equities International Securities, Inc. on September 2, 1988. Respondents Equities International Securities, Inc., Frank Grillo, and Versailles Capital, duly notified of the arbitration and hearing dates, and subject to the jurisdiction of the National Association of Securities Dealers, Inc. pursuant to Section 12, did not appear at the hearing.

The hearing was conducted in Portland, Oregon, and lasted one session. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Frank Grillo is liable for and shall pay to Claimant the sum of Five Thousand Dollars Exactly (\$5,000.00).
2. Each and every claim against Respondent Equities International Corporation is dismissed.
3. Each and every claim against Respondent Versailles Capital Corporation is dismissed.
4. The parties shall each bear their respective costs including attorneys' fees.
5. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$100.00 filing fee previously deposited by the Claimant [as an assessment of forum fees by the arbitrators]. Respondent Frank Grillo is solely liable for and shall reimburse Claimant said \$100.00 filing fee.

### OTHER ISSUES

Prior to the hearing of this matter, Claimant withdrew its claim against Securities Settlement Corporation.

Arbitrator(s) Signature

Edward Brunet  
Edward Brunet

Date of Decision: 2-22-91