

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	)	
John and Claire Castillo,	)	
	)	
Claimants	)	Case #88-00993
	)	
vs.	)	Award
	)	
Providence Securities, Inc.,	)	
Al Kopech and	)	
Bear Stearns & Co., Inc.,	)	
	)	
Respondents	)	

### CASE SUMMARY

Claimants, John and Claire Castillo, allege that Respondents negligently handled their order to purchase "two one thousands" of GTECH CORP stock at as close to \$21.00 per share as possible. Claimants further allege that as a result of Respondents' failure to purchase the stock, they have sustained a loss of approximately \$10,000 in lost earnings and margin interest paid in order to cover.

Respondents, Al Kopech and Providence Securities, Inc., deny liability and allege that Claimants placed limit orders which were only "good for one day". Respondents further allege that Claimants were timely advised that the execution report was in error and had ample opportunity to effect any transaction they wished.

Respondent, Bear Stearns, denies liability and the allegations and alleges that Claimants place with two "good till cancelled" limit orders which were below the market price. Bear Stearns further alleges that it acted as clearing broker for Providence and counterclaims against Respondent, Providence.

RELIEF REQUESTED

Claimants request that the arbitration panel award them \$10,000. the difference between their order price and the price they paid for the stock. Respondents, Providence and Kopech, request that the claim and counterclaim be dismissed. Respondent, Bear Stearns, requests that the panel dismiss the claim and assess costs against the Claimant. Bear Stearns also requests an award for indemnification or contribution, should the panel find that it is liable.

AWARD

On December 12, 1989, the undersigned arbitrator heard the controversy between the parties as set forth in a submission to arbitration signed by Claimants on February 19, 1988, and by Respondents, Providence Securities, Inc., Al Kopech and Bear Stearns & Co., Inc., on June 2, 1988, July 20, 1988 and July 12, 1988, respectively. The hearing was conducted in Boston, Massachusetts and consisted of two sessions. The arbitrator, 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. Respondents, Providence Securities, Inc. and Al Kopech, are hereby jointly and severally liable to the Claimant in the amount of Five Thousand Two Hundred and Fifty Dollars and Zero Cents (\$5,250.00).
2. All other claims and cross-claims are hereby denied.
3. The parties shall each bear their respective costs, including attorneys' fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$200.00 filing fee previously deposited by the Claimant.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, Respondents, Providence Securities, Inc., Al Kopech and Bear Stearns & Co., Inc., are each assessed \$66.66 in forum costs which shall be made payable to the NASD, Inc.

ARBITRATOR

  
Michael Unger

Dated: January 24, 1990