

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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| In the Matter of the Arbitration Between |) |
| Cowen & Co., |) |
| Claimant |) Case #88-01930 |
| vs. |) Award |
| Robert Onesti and |) |
| Raymond Maille, |) |
| Respondents |) |
| Third-Party Claimants |) |
| vs. |) |
| Viceroy International Securities Corp. |) |
| and Avin Bakal, |) |
| Third-Party Respondents |) |
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CASE SUMMARY

Claimant alleges that Respondent, Raymond Maille, maintained a margin account with Viceroy International Securities Corp. (Viceroy), a firm which has a Clearing Agreement with the Claimant. Claimant further alleges that it gave Maille notice of a margin call and that as a result of his failure to meet the margin call, his account was liquidated leaving a debit balance of \$9,296.00. Claimant also alleges that Maille entered into an installment agreement to pay the above sum and after he paid \$3,296.00, he failed to make subsequent payments.

Respondent, Maille, contends that he agreed to the payment schedule because he was intimidated into doing so. Maille, alleges that Avin Bakal, his broker at Viceroy, effected unauthorized trades on margin under a forged margin agreement, made unsuitable investments in light of his financial objectives and induced him into giving Bakal discretion to trade in his account in violation of rules of the NASD and the Exchanges which require written discretionary agreement. Respondent, Maille, asserts a counterclaim against Claimant and third-party claims against Avin Bakal, Viceroy and "John Doe", the branch manager of Viceroy for damages.

Claimant, in response to the counterclaim, denies the allegations of wrongdoing and liability and contends that if there is liability, it should rest with the Third-Party Respondents.

Third-Party Respondent, Robert Onesti, denies personal liability to the Claimant. Third-Party Respondent, Bakal, denies the allegations and alleges that Maille fails to state a cause of action upon which relief can be granted.

RELIEF REQUESTED

Claimant requests that the arbitration panel award it \$6,000.00 plus interest against Maille, dismiss Maille's counterclaim in its entirety and that Maille be assessed costs of the proceeding. Pursuant to the Clearing Agreement, Claimant further requests indemnification, plus cost, attorney's fees and expenses of this proceeding from Bakal, Viceroy and Onesti should the panel find that it is liable to Maille. Respondent, Maille, requests a dismissal of the claim, an award of \$50,000.00, for the trades executed on margin, \$50,000.00, for the unsuitable trades and \$3,296.00, the amount he was intimidated into making. Bakal and Onesti request that all claims against them be denied.

AWARD

On December 1, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in a submission to arbitration signed by Claimant, Cowen & Co., on June 15, 1988, by Respondents, as they are situated, Raymond Maille, Robert Onesti and Avin Bakal on September 28, 1988, January 10, 1989 and December 1, 1989 respectively. The hearing consisted of 2 sessions and was conducted in New York City, New York. 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, Raymond Maille, is hereby liable to the Claimant in the amount of Six Thousand Dollars and Zero Cents (\$6,000.00) plus interest at a rate of ten percent (10%) from March 1, 1988 to the date of payment.
2. All other claims, counterclaims and third-party claims are hereby dismissed in their entirety.
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 refund the \$200.00 filing fee previously deposited by the Claimant and shall assess Respondent, Raymond Maille, \$400.00 in forum costs. Pursuant to Section 30(b) of the Code of Arbitration Procedure Respondent, Raymond Maille, is further assessed \$100.00. All costs shall be made payable to the NASD.

OTHER ISSUES

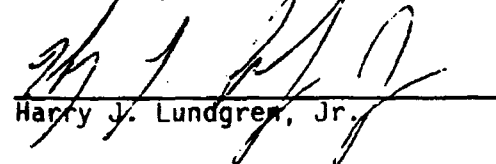
Viceroy International did not execute a Submission Agreement, interpose an Answer nor appear in this matter. Based upon the evidence submitted in Arbitrators' Exhibit No. 1 regarding hearing notices to the parties, this arbitration panel finds that proper notice as well as jurisdiction exists pursuant to Section 12(a) of the Code of Arbitration Procedure over Viceroy.

Raymond Maille did not appear in this matter. However, his counsel was present and requested a postponement. After hearing the parties on this issue and pursuant to Section 29 of the Code of Arbitration Procedure, this arbitration panel proceeded with the hearing in Viceroy's and Maille's absence.

CONCURRING ARBITRATORS

Harvey Barrison, Esq.

Frank M. Suttell



Harry J. Lundgren, Jr.

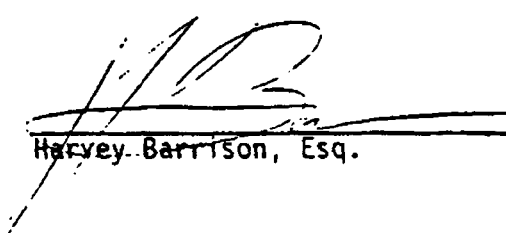
Dated: December 28, 1989

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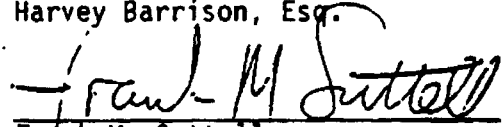
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