

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

IN THE MATTER OF THE ARBITRATION BETWEEN :
Anthony P. Gigliotti :
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 : Claimant : Case # 88-03359
vs. :
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 : AWARD
Blinder Robinson & Co., Inc. :
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 : Respondent :
vs. :
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Earl Smith :
 :
 : Third-Party :
 : Respondent :

CASE SUMMARY

Claimant Anthony P. Gigliotti alleged that Respondent Earl Smith, a former employee of Respondent Blinder Robinson & Co., Inc., coerced him to purchase stock in Entertrac, Inc. through high pressure sales tactics. Claimant also alleged that Respondent Earl Smith refused to cancel the trade and threatened the Claimant with a lawsuit if the Claimant failed to honor his commitment to purchase the stock. Claimant alleged that Respondent Earl Smith also misrepresented the quality of the investment, as well as the price of the stock in that he failed to provide the Claimant with the bid and ask prices of the stock.

Respondent Blinder Robinson contended the Claimant authorized the purchase of the stock through his own volition with full knowledge of the risks involved. Respondent Blinder Robinson contended they always acted properly and supervised Earl Smith to the best of its ability. Respondent Blinder Robinson also asserted a third-party claim against Earl Smith for indemnification for any and all liability which may be owed to the Claimant. Respondent Earl Smith maintained that the investment was suitable for the Claimant and that the Claimant authorized its purchase with full knowledge of the inherent risks. Respondent Smith also contended he never threatened the Claimant with a lawsuit, and that the Claimant declined to sell the stock when he advised him to because the Claimant did not want to incur a loss.

RELIEF REQUESTED

Claimant Anthony P. Gigliotti requested actual damages of \$2,380.00. Respondent Blinder Robinson requested dismissal of the Statement of Claim in its entirety, plus costs and attorney's fees, or in the alternative for judgment against Earl Smith for any and all liability which may be owed to the Claimant.

Respondent Earl Smith requested that all claims made against him be dismissed in their entirety.

AWARD

On April 18, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Anthony P. Gigliotti on October 24, 1988, and by Respondent Blinder Robinson & Co., Inc. on January 20, 1989 and by Respondent Earl P. Smith on December 12, 1989. The hearing was conducted at the offices of the National Association of Securities Dealers, Inc. in Philadelphia, PA and consisted of one (1) hearing 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. All claims against Respondent Blinder Robinson & Co., Inc. be and hereby are dismissed in their entirety.
2. All claims and third-party claims against Respondent Earl P. Smith be and hereby are dismissed in their entirety.
3. The parties shall each bear their respective costs including attorney's fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$25.00 filing fee previously deposited by the Claimant as costs of the one (1) hearing session conducted in this matter.

CONCURRING ARBITRATOR


JOAN SAMPERI

DATED: April 30th, 1990