



N.A.S.D. ~~N.A.S.D.~~

Arbitration

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, New York 10004

In the Matter of the Arbitration Between

Name of Claimant

Isiderio Sanchez

vs

89-03077

Name of Respondents

Wall Street Clearing Co.
Financial Clearing & Services Corp.
Sam J. Piccione
Lizanne Geitner
Newbridge Securities, Inc.

Heard before the members of the Arbitration Panel:

Name

Martin Fogelman, Esq.

Public/Industry

Public - Chairperson

Stan West

Public

Leon Goldsholl

Industry

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on November 03, 1989. Claimant, Isiderio Sanchez, alleges that Respondents engaged in a pattern of negligent conduct and securities fraud when they made unauthorized and unsuitable trades in Claimant's Individual Retirement Account (IRA) and churned his account without regard to Claimant's investment objectives. Claimant further alleges that Respondents' actions violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5, as well as other rules and regulations of the Securities Exchange Commission and the National Association of Securities Dealers, Inc., and constituted a violation of the Racketeer Influenced and Corrupt Organizations Act (RICO). Claimant also alleges that Respondent, Piccione, admitted to making the unauthorized trades and that Respondents have failed to transfer IRA account as instructed.

In a Statement of Answer filed with the NASD on July 23, 1990, Respondent, Wall Street Clearing Company (WSC), denies the allegations set forth in the Statement of Claim and denies that it owed Claimant any fiduciary duty. Respondent, WSC, filed a Motion to Dismiss the claims asserted against it.

In a Statement of Answer filed with the NASD on January 31, 1990, Respondent, Financial Clearing & Services Corporation (FICS), denies each and every

allegation of the Statement of Claim. Respondent, FICS, contends that Claimant's account was transferred from WSC to FICS on June 5, 1989 and that no trades occurred in the account since the transfer. Said Respondent also denies that it owed Claimant any fiduciary duty and filed a Motion to Dismiss the Statement of Claim.

Respondent, Sam Piccione, Jr., denies the allegations of wrongdoing and denies liability. Said Respondent contends that it was Newbridge Securities, Inc. which cashed Claimant's check for \$13,016 and failed to transfer Claimant's IRA.

Respondent, Newbridge Securities, Inc., denies the allegations of wrongdoing and denies that it is liable. Said Respondent contends that the IRA was transferred and further that as clearing broker, it owed no duty to Claimant with respect to the unauthorized trades.

RELIEF REQUESTED

Claimant requests that the panel award him \$15,180 in trading losses and interest, \$45,540 treble RICO or punitive damages and \$7,500 in attorney's fees.

Respondent, WSC, requests that the panel grants its Motion to Dismiss and award WSC costs and attorney's fees.

Respondent, FICS, requests that the panel grant the Motion to Dismiss and award it costs, expenses and attorney's fees.

Respondent, Sam Piccione, requests that all claims against him be dismissed.

Respondent, Newbridge Securities, Inc., requests that the panel dismiss the claims and award it costs and attorney's fees incurred in this matter.

AWARD

On December 06, 1990, and April 19, 1991, in New York, New York, during a hearing lasting three sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant, Isiderio Sanchez, on October 31, 1989, signed by John T. Gabriel on behalf of Respondent, Wall Street Clearing Company, on March 8, 1990, and signed by Respondent, Financial Clearing & Services Corp., on January 10, 1990. Respondents, Sam J. Piccione, Lizanne Geitner and Newbridge Securities, did not execute submission agreements and with the exception of Lizanne Geitner who only appeared at the December 06, 1990, hearing, they appeared at the hearing and defended the allegations asserted against them.

After considering the pleadings, the testimony and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

The parties have agreed that the Award in this matter may be executed in

counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

1. Prior to the commencement of testimony, the panel granted the Motion to Dismiss Respondent, Financial Clearing & Services Corporation, and denied said Respondent's request for costs and attorney's fees;
2. Wall Street Clearing Co.'s Motion to Dismiss is granted and its claim for costs and attorney's fees is denied;
3. Respondent, Newbridge Securities, Inc., is hereby liable to the Claimant and shall pay Claimant Four Thousand Seven Hundred and Twenty Dollars and Zero Cent (\$4,720.00), which includes interest through April 19, 1991;
4. The claim for punitive damages is denied;
5. The claim for treble RICO damages is denied;
6. All claims asserted against Respondent, Sam Piccione, are denied;
7. The remaining parties shall each bear their respective costs including attorneys' fees;

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

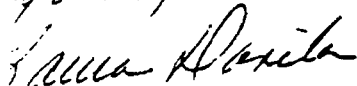
1. The NASD shall retain the \$500.00 deposit made by the Claimant;
2. Claimant is assessed forum fees for one hearing session in the amount of \$500.00;
3. Respondent, Newbridge Securities, Inc., is assessed the non-refundable claim filing fee of \$150.00;
4. Respondent, Newbridge Securities, Inc., is further assessed \$1,000.00 in forum fees for two hearing sessions.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator Signature


Leon Goldsholl

WORN TO BEFORE ME this 6th
day of MAY 1991



Date of Decision: _____

LAURA DAVILA
Notary Public, State of New York
No. 24-4964434
Qualified in Kings County
Commission Expires April 2, 1992

DATED BY NASD
MAY 14, 1991

counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

1. Prior to the commencement of testimony, the panel granted the Motion to Dismiss Respondent, Financial Clearing & Services Corporation, and denied said Respondent's request for costs and attorney's fees;

2. Wall Street Clearing Co.'s Motion to Dismiss is granted and its claim for costs and attorney's fees is denied;

3. Respondent, Newbridge Securities, Inc., is hereby liable to the Claimant and shall pay Claimant Four Thousand Seven Hundred and Twenty Dollars and Zero Cent (\$4,720.00), which includes interest through April 19, 1991;

4. The claim for punitive damages is denied;

5. The claim for treble RICO damages is denied;

6. All claims asserted against Respondent, Sam Piccione, are denied;

7. The remaining parties shall each bear their respective costs including attorneys' fees;

FORUM FEES


Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

1. The NASD shall retain the \$500.00 deposit made by the Claimant;
2. Claimant is assessed forum fees for one hearing session in the amount of \$500.00;
3. Respondent, Newbridge Securities, Inc., is assessed the non-refundable claim filing fee of \$150.00;
4. Respondent, Newbridge Securities, Inc., is further assessed \$1,000.00 in forum fees for two hearing sessions.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator Signature


Martin Fogelman, Esq.

*from hpyg me this 7th day
of May, 1991.*


VALERIE L. BAILEY
NOTAR: PUBLIC, State of New York
No. 24-4940363
Qualified in Kings County
Commission Expires July 18, 1992

Date of Decision: _____

DATED BY NASD
MAY 14, 1991

counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

1. Prior to the commencement of testimony, the panel granted the Motion to Dismiss Respondent, Financial Clearing & Services Corporation, and denied said Respondent's request for costs and attorney's fees;
2. Wall Street Clearing Co.'s Motion to Dismiss is granted and its claim for costs and attorney's fees is denied;
3. Respondent, Newbridge Securities, Inc., is hereby liable to the Claimant and shall pay Claimant Four Thousand Seven Hundred and Twenty Dollars and Zero Cent (\$4,720.00), which includes interest through April 19, 1991;
4. The claim for punitive damages is denied;
5. The claim for treble RICO damages is denied;
6. All claims asserted against Respondent, Sam Piccione, are denied;
7. The remaining parties shall each bear their respective costs including attorneys' fees;

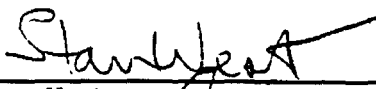
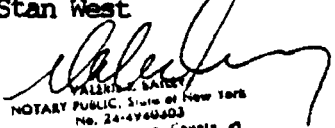
FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

1. The NASD shall retain the \$500.00 deposit made by the Claimant;
2. Claimant is assessed forum fees for one hearing session in the amount of \$500.00;
3. Respondent, Newbridge Securities, Inc., is assessed the non-refundable claim filing fee of \$150.00;
4. Respondent, Newbridge Securities, Inc., is further assessed \$1,000.00 in forum fees for two hearing sessions.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator Signature


Stan West

Valeria S. Basso
NOTARY PUBLIC, State of New York
No. 24-0900003
Qualified in Kings County
Commission Expires July 16, 1992

Date of Decision: May 3 1991

Saw before me this 3rd day of May, 1991

DATED BY NASD
MAY 14, 1991