



N.A.S.D. NASD

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 Claimants

James & Joann Chamberlain

vs.

Case #
89-03212

Award

Name of Respondents

Sherwood Capital, Inc.
Mark Malone
Carl Sorano

CASE SUMMARY

This claim was filed on November 16, 1989. Claimants, James and Joann Chamberlain, allege that the Respondent brokerage firm through its registered representatives advised them to purchase securities the following securities: Odyssey Entertainment Limited; Pictel Corp.; Sherwood Group, Inc.; Investment Technologies, Inc.; Entre Corp.; Properties of America, Inc.; Metalclad Corporation; and Academy Insurance Group. Claimants further allege that Respondents failed to disclose the financial condition of these companies and failed to disclose the fact that Sherwood Group, Inc. was taken over by First Jersey Securities. Claimants also allege that the securities which were recommended to them were unsuitable investments and that they sustained losses.

Respondents, Sherwood Capital, Inc. and Carl Sorano, maintain that Claimants were provided with monthly letters and periodic reports on their investments. They maintain that the investments were suitable and that the Claimant did not file a complaint with them after receipt of the account statements. They also interpose five affirmative defenses.

Respondent, Mark Malone, did not file a Statement of Answer.

RELIEF REQUESTED

Claimants request that the arbitrator award them \$29,701.00. Respondents request that the claim be dismissed.

On September 19, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimants on November 10, 1989, and by the Respondents, Sherwood Capital, Inc. and Carl Sorano, on February 16, 1990, and March 1, 1990, respectively. Respondent, Mark Malone did not execute a submission agreement or appear at the hearing to defend the allegations asserted against him. Claimants conceded that they were unable to notify Respondent, Mark Malone of their claim. The hearing was conducted in New York, New York and consisted of two sessions. This 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. The claim is dismissed against Mark Malone based upon the fact that he did not receive notice of this claim.
2. The claims asserted against Respondents, Sherwood Capital, Inc. and Carl Sorano, are 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 \$400.00 filing fee previously deposited by the Claimant.
5. Respondent, Sherwood Capital, Inc., is assessed forum fees in the amount of \$400.00 for one session payable to the NASD, Inc. through its staff counsel in accordance with Section 43 of the Code of Arbitration Procedure.

ARBITRATOR


Eugene F. Farabaugh