

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between/Among

Samuel T. Digate

Claimant

vs.

Donato DeMarinis

and

Jay Vermonty

Respondents

Case #89-03239

Award

CASE SUMMARY

Claimant Samuel T. DiGate (hereinafter "Claimant"), alleged that Respondent Donato DeMarinis (hereinafter "DeMarinis") and Jay Vermonty (hereinafter "Vermonty") made material misrepresentations to Claimant and failed to properly handle his account. Claimant alleged that Respondents had promised Claimant that they would execute a stop loss order of Claimant's 20,000 shares of Anglo Industries, Inc. at \$1.00. Claimant alleged that the stop loss order was never executed and that Claimant later learned that Respondents were not allowed to accept a stop loss order on a penny stock. Claimant alleged that Respondent Vermonty told Claimant that he, Vermonty, would liquidate Claimant's stock and return to Claimant his money. Claimant alleged that his Anglo Industries, Inc. stock is now worthless. Claimant further alleged that Respondent Vermonty and Claimant signed an agreement that Claimant's 80,000 shares of Amglobal Corp. would be sold at a price of 5/16 a share. Claimant alleged that Respondent Vermonty only sold 10,000 shares of Amglobal and that 70,000 shares of Amglobal were never executed by the Respondents.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$20,000.00 plus attorneys fees and interest.

**AWARD**

On July 19, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitrators signed by the Claimant, on November 16, 1989. Respondents Vermonty and DeMarinis did not submit a submission agreement, they did not submit an answer nor did they attend the arbitration hearing. The NASD did serve Respondents with the Claimant's claim and with notice of the hearing date and location (proof of notices and service are attached). Pursuant to Section 12(a) of the Code of Arbitration Procedure, the arbitration panel exercised its jurisdiction over Respondents.

The hearing was held in New York City and consisted of one 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. That Claimant's claim against Respondent DeMarinis is denied in its entirety.
2. That Respondent Vermonty is liable to the Claimant and shall pay to the Claimant the sum of Eleven Thousand Five Hundred and xx/100 Dollars (\$11,500.00); no interest is assessed on this amount.
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 \$400.00 filing fee previously deposited by the Claimant as cost of the forum fees for the single hearing session held on July 19, 1990.

**ARBITRATORS CONCURRING**

/s/  
William A. DeLorenzo

/s/  
Melvin Lyon

/s/  
Kathleen A. Cromie

Dated: July 27, 1990