

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Among

John & Michele Alfano

Claimants

vs.

Case #90-01008

Award

Russo Securities, Inc. and Mark Ellman

Respondents

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CASE SUMMARY

Claimants, John & Michele Alfano ("Alfano"), alleged Respondents, Russo Securities, Inc. ("RSI") and Mark Ellman ("Ellman"), executed unauthorized transactions on margin. They further claimed Ellman recommended unsuitable transactions and failed to execute authorized transactions. Claimants also contended Ellman and RSI received substantial commissions as a result of these unsuitable and unauthorized transactions. Claimants asserted Ellman was RSI's agent and that RSI is liable for all of his acts under the doctrine of respondeat superior.

Respondents generally denied all Claimants' allegations or stated they did not have sufficient information to form a basis as to the truth of the allegations. They also asserted two (2) affirmative defenses.

RELIEF REQUESTED

Claimants, Alfano, requested compensatory damages in the amount of \$14,500.00, punitive damages, plus costs and attorneys' fees.

Respondents, RSI and Ellman requested dismissal of the Statement of Claim.

AWARD

On November 21, 1990, February 1, 1991 and February 6, 1991, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimants, Alfano, on March 26, 1990 and by the Respondents, RSI and Ellman, on November 21, 1990. The hearing was held in NYC at the NASD, Inc. and consisted of 6 sessions. The 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 for punitive damages is denied;
2. An award for \$7,839.66 is found in favor of the Claimants against the Respondents, jointly and severally, for compensatory damages which award will bear interest at the rate of 9% from the date of this award;
3. The parties shall each bear their respective costs, including attorneys' fees;
4. Pursuant to Section 43, 44 or 45 of the Code of Arbitration Procedure, the NASD, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant;
5. Respondents are assessed forum fees, jointly and severally, in the amount of \$1,800.00 payable to the NASD, Inc. through its staff counsel in accordance with Section 43, 44 or 45 of the Code of Arbitration Procedure.

ARBITRATORS SIGNATURE

/s/  
Constantine Katsoris

February 11, 1991