

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

IN THE MATTER OF THE ARBITRATION BETWEEN

Stephen Rinaldi and Theresa Rinaldi,
Claimants

Case: 90-01106

vs.

F.S.G. Financial Services Group Inc.
John Labeck
David Flanzer
Robert Stelz

AWARD

Respondents

CASE SUMMARY

Claimants allege that the respondents failed to enter and execute trades as instructed. Further, they allege that margin and option agreements were forged, and that respondents failed to notify them of restrictions in their account thereby exposing them to substantial losses. Respondents state that they advised when the account was frozen and in need of funds to cover margin requirements. They contend that all trades were unsolicited and made without recommendation by the respondents. They contend that the claimant was sophisticated and had represented that he had substantial ~~inherited~~ monies.

RELIEF REQUESTED

Claimants seek \$75,000 of actual damages and \$5,000,000 of punitive damages. Respondents seek dismissal.

AWARD

On December 10, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant ~~on April 10, 1990~~ ~~on~~

and by Respondent F.S. & Financial Services on June 7, 1990 and by Respondents John Hebel, David Flanger & Robert Stely on June 7, 1990

The initial claim was filed on . 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. ~~Claimant~~ ~~on~~ ~~and~~ ~~relying~~ ~~on~~ ~~undated~~ ~~claims~~ ~~against~~ ~~F.S. & Financial Services~~ ~~Inc.~~
\$11,175

2. Claims against John Hebel, David Flanger and Robert Stely are denied

3. Claims for punitive damages are denied

4.

5. The parties shall each bear their respective costs including attorney's fees.

6. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall ~~retain~~ retain the \$ 750 ~~filing~~ fee previously deposited by the Claimant as costs of the 2 hearing session(s) conducted in this matter.

CONCURRING ARBITRATORS

Martin Fogelman

Martin Fogelman, Esq

David F. Adler

David F. Adler

Joseph E. DaGrosca

Joseph E. DaGrosca

and assess
an additional
\$ 1275
against
claimants
and \$ 1275 against
respondent
F & G - Financial
Service Group Inc.

\$ 1500 per session
+ 300 non refundable
fee -
\$ 3300
PAID for \$ 750
TO ASSESS \$ 2550

Helen Mangano
HELEN MANGANO
Notary Public, State of New York
No. 25, 253
Qualified in West County
Commission Expires June 15, 1989

10th day of December