

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between)

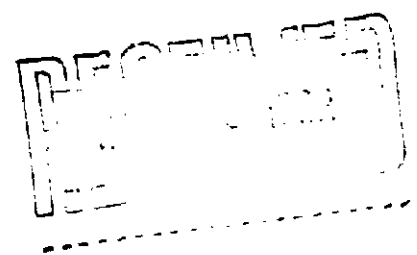
Name of Claimant(s))

Thomas J. Woolley, Jr.)

Case No. 90-01771

Name of Respondent(s))

Dennis Easter)
Easter Kramer Group Securities, Inc.)
Integrated Resources Equity Corp.)
Global Capital Securities, Inc.)
Gary S. Kramer)
Dennis J. Easter as Trustee for EKG)
Gary S. Kramer as Trustee for EKG)



REPRESENTATION

For Claimant, Thomas Woolley, Jr. ("Woolley"): John Stetson, Esq. of the Law Offices of John Stetson.

For Respondent, Integrated Resources Equity Corp. ("IREC"): Mark Quinn, Esq. of IREC.

For Respondent, Global Capital Securities, Inc. ("Global"): Jeff Wattenberg of Global.

For Respondent, Easter Kramer Group Securities, Inc. ("EKG"): Dennis Easter and/or Gary Kramer as trustees for EKG.

Respondents, Dennis Easter ("Easter") and Gary Kramer ("Kramer"): pro se.

CASE INFORMATION

Statement of Claim filed: June 22, 1990 and amended on September 23, 1991. Claimant's Submission Agreement signed: June 18, 1990.

Respondent, Global's, Statement of Answer filed: January 29, 1991. Respondent, Global's, Submission Agreement signed by Michael Pincus on behalf of Global on November 2, 1990. Respondent, IREC's, Statement of Answer and Crossclaim filed: February 5, 1991. Respondent, IREC's, Submission Agreement signed by Mark Quinn on behalf of IREC on February 4, 1991. Respondents, EKG, Easter and Kramer, did not file Statements of Answer or sign Submission Agreements as required by Sections 12 and 25 of the Code (see Other Issues).

HEARING INFORMATION

On May 19, 1992, in Fort Lauderdale, Florida, a hearing lasting one (1) session was conducted.

CASE SUMMARY

Claimant alleged that Respondents were liable for unauthorized trading; failure to follow Claimant's instructions; breach of contract; common law fraud; and violation of Section 517.301 Florida Statutes; Claimant alleged that, upon receiving a sell recommendation for a certain stock from his account executive, he instructed the broker to sell and to use part of the proceeds of the sale to purchase a certain other stock; the shares of the first stock were never sold and the second stock was purchased with money taken from Claimant's money market account.

Respondent, Global, denied all allegations of wrongdoing and did not appear at the hearing to defend.

Respondent, IREC, denied all allegations of wrongdoing and alleged that it was not a successor to EKG. Respondent, IREC, filed a crossclaim, for indemnification against EKG.

Respondents, EKG, Easter and Kramer, failed to file Answers and did not appear at the hearing.

RELIEF REQUESTED

Claimant requested damages in the amount of the cost of purchasing the stock plus the profit Claimant would have received if the stock had been sold as directed plus interest, punitive damages, attorney's fees and costs.

Respondents, Global and IREC, requested dismissal of the claim.

Respondents, EKG, Easter and Kramer, failed to file Answers.

OTHER ISSUES CONSIDERED & DECIDED

1. This Panel finds that Respondents, EKG and Easter, were required to sign Submission Agreements pursuant to Sections 12 and 25 of the Code, EKG being an NASD member firm and Easter being associated with an NASD member firm at the time this controversy arose. This Panel finds that it has jurisdiction over Respondents, Easter and EKG, pursuant to Section 12 of the Code and pursuant to the Form U-4 executed by Respondent, Easter.

2. Respondent, Kramer, filed for bankruptcy and was removed as a party prior to the hearing of this matter due to the automatic stay provisions of the U.S. Bankruptcy Code.

3. Respondent, Easter, filed for bankruptcy and, on October 11, 1991, the Bankruptcy Court for the Southern District of Florida entered an Order granting Claimant relief from the automatic stay for the limited purpose of naming Easter in the arbitration in order for Claimant to perfect a claim for filing under the Florida Security Guaranty Fund.

4. For the reasons set forth in the record of proceedings and contained in Arbitrator's Exhibit #2, this Panel finds service on and adequate notice to Respondents, Global, EKG and Easter. The NASD has made every attempt to locate and serve Respondents, Global, EKG and Easter, with notice of this hearing as demonstrated by the evidence contained in Arbitrator's Exhibit #2.

5. Respondent, IREC, settled the claims against it with Claimant and, therefore, was dismissed, with prejudice, from this arbitration prior to the hearing of this matter.

AWARD

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:

1. Respondent, Global, is found not liable and, therefore, all claims against it are hereby dismissed.

2. Respondents, EKG and Easter, are found liable, jointly and severally, for fraud, and shall pay to the Claimant the amount of \$15,030.88 inclusive of interest.

3. Respondents, EKG and Easter, are also found liable, jointly and severally, and shall pay to the Claimant the further amount of \$3,000.00, for attorney's fees pursuant to Section 517.211, Florida Statutes. The Panel bases its authority to award attorney's fees on the Federal Arbitration Act and the case law interpreting that Act.

4. Claimant's request for costs and punitive damages is denied.

5. Cross Respondents, EKG and Easter, are found not liable to IREC and, therefore, the crossclaim against them is hereby dismissed.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$400.00 (one session x \$400.00 per session). Claimant is hereby assessed \$400.00 for which the NASD shall retain the \$400.00 previously deposited in full satisfaction thereof. IREC is hereby assessed \$500.00 for the non-refundable filing fee which should

have been paid upon IREC's filing of its crossclaim. Additionally, Respondent, IREC, is assessed \$600.00 for the hearing session deposit which should have been paid by IREC, for a total due to the National Association of Securities Dealers, Inc. of \$1,100.00.

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

Concurring Arbitrators' Signatures

Patricia A. Shub, Esq.

Public

Sterling F. Tremayne -
Sterling F. Tremayne

Public

Robert S. Natias
Robert S. Natias

Industry

Date of Decision: 6-5-92