

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

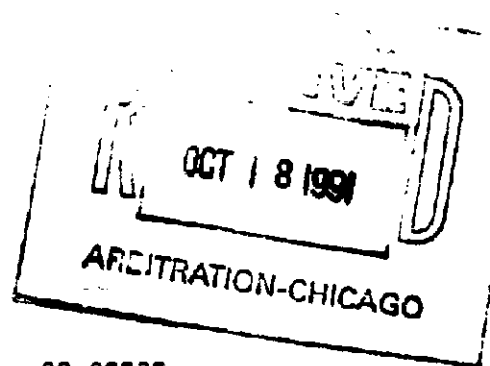
In the Matter of the Arbitration Between

Name of Claimant(s)

Arthur R. DiNicolantonio

Name of Respondent(s)

First Fidelity Capital Corporation
Ian R. Hosang



90-02535

REPRESENTATION

For Claimant: Arthur R. DiNicolantonio appeared pro se.

For Respondents: First Fidelity Capital Corporation did not appear.
Ian R. Hosang appeared pro se.

CASE INFORMATION

Statement of Claim filed: September 12, 1990
First Supplement to Statement of Claim filed: January 28, 1991
Second Supplement to Statement of Claim filed: June 21, 1991
Claimant's Submission Agreement signed on: August 24, 1990

Statement of Answer filed by Respondent Ian R. Hosang on: December 26, 1990
Supplement to Statement of Answer filed: January 21, 1991
Respondent Ian R. Hosang's Submission Agreement signed on: December 27, 1990

HEARING INFORMATION

Hearing Date/Sessions: September 27, 1991 for one (1) session

Hearing Location: Houston, Texas

CASE SUMMARY

Claimant Arthur R. DiNicolantonio ("DiNicolantonio") alleged that Respondents First Fidelity Capital Corporation ("First Fidelity") and Ian R. Hosang ("Hosang") misrepresented the value of shares of stock in Resource Network International, Inc., selling to DiNicolantonio 7,150 shares for \$22,222.50 when the true and actual value of the stock purchased was \$715.00 to

\$2,145.00. DiNicolantonio further alleged that First Fidelity was the sole underwriter of the stock and fraudulently inflated the price. In addition, it was alleged that Hosang fraudulently stated that the stock would be traded over the counter in a matter of weeks and that this did not occur. First Fidelity ceased operating on June 14, 1990.

Respondent Hosang denied the material allegations of the Statement of Claim, alleging that: 1) DiNicolantonio knew the bid and ask prices of the stock; 2) The prices for the stock quoted to DiNicolantonio were the only prices Hosang was aware of; 3) Hosang had several clients who sold the stock for as high as \$3.25 per share; and 4) Research Network International, Inc. had applied to be listed on NASDAQ and DiNicolantonio was aware that the application was pending. Hosang further alleged that the value of the stock decreased in value after First Fidelity ceased operations on June 20, 1990 because First Fidelity was the company's investment banker and major market maker in the stock, though at least four other brokerage firms made a market in the stock.

Respondent First Fidelity did not file with the NASD a properly executed submission agreement, but is required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure. In addition, First Fidelity did not file a Statement of Answer or appear at the hearing. Upon review of the file, the Arbitrator determined that First Fidelity had been properly served with the Statement of Claim pursuant to Section 25 of the Code and had received due notice of the hearing as required pursuant to Section 26 of the Code. Therefore, the Arbitrator determined that the arbitration of the controversy would proceed pursuant to Section 29 of the NASD Code of Arbitration Procedure.

RELIEF REQUESTED

Claimant requested entry of an award against Respondents in the sum of \$21,507.50.

Respondent Hosang requested that the claims against him be dismissed and denied in their entirety.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent First Fidelity Capital Corporation is liable for and shall pay to Claimant Arthur R. DiNicolantonio the sum of \$21,507.50;
2. The claims against Respondent Ian R. Hosang are hereby dismissed and denied in their entirety;
3. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those specifically enumerated herein.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

The National Association of Securities Dealers, Inc. shall retain the claim filing fee of \$100.00 and \$100.00 of the \$300.00 hearing session deposit previously deposited by the Claimant Arthur R. DiNicolantonio. The NASD shall refund \$200.00 of the hearing session deposit to Claimant. Respondent Ian R. Hosang is liable for and shall pay to the NASD forum fees in the sum of \$100.00. Respondent First Fidelity Capital Corporation is liable for and shall pay to the NASD forum fees in the sum of \$100.00.

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

BY THE ARBITRATOR

Arbitrator's Signature

Dated:


Cynthia J. Thomson, Esq.
Public Arbitrator

11-12-91