

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between	)	
<u>Name of Claimant(s)</u>	)	
Patrice Leonard	)	
	)	
	)	Award No: 90-03413
<u>Name of Respondent(s)</u>	)	
Global Capital Securities, Inc.	)	
Edward A. Mordini	)	
Heard before the arbitrator:		
Casey W. Mills, Esq.		Public

REPRESENTATION

Claimant, Patrice Leonard ("Leonard"), was represented by Michael A. Criden, Esq. of Zack, Hanzman & Ponce.

Respondent, Global Capital Securities, Inc. ("Global"), was represented by Michael H. Pincus of Global.

Respondent, Edward A. Mordini ("Mordini"), was pro se.

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on November 30, 1990. Claimant alleged that Respondents made misrepresentations of and omitted to state material facts; recommended and invested Claimant's funds in wholly unsuitable investment funds (including Nuveen Unit Trusts) in light of her stated investment objectives of safety of principal, liquidity, short term and income; that Respondents' actions constituted negligence, breach of fiduciary duty, fraud and deceit, and violation of Section 10(b) of the 1934 Exchange Act.

Respondents, Global and Mordini, filed a Statement of Answer with the NASD on January 14, 1991. Respondents denied all allegations of wrongdoing and alleged that only suitable investments were recommended to Claimant; that the investments were in accord with Claimant's stated investment objectives of safe conservative investments, with a proven track record and monthly tax free income check; and, that the parties agreed that Respondents would not provide financial planning services and would not charge Claimant a fee.

### RELIEF REQUESTED

Claimant requested damages in the amount of \$21,000.00, interest, punitive damages and other relief.

Respondents requested dismissal.

### AWARD

On August 22, 1991, in Fort Lauderdale, Florida, during a hearing lasting two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on November 20, 1990, by Respondent, Mordini, on August 13, 1991, and signed on December 15, 1990 by Jeff Wattenberg on behalf of Respondent, Global.

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

1. The Claimant and Respondent, Mordini, have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the above mentioned parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.
2. Respondents, Global and Mordini, are found not liable and, therefore, all claims against them are hereby dismissed.
3. Claimant's request for punitive damages is denied.

### FORUM FEES

1. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of \$600.00 (two sessions x \$300.00). Claimant is hereby assessed \$300.00 for which the NASD shall retain \$300.00 of the funds previously deposited in full satisfaction thereof, and shall refund the \$100.00 overpayment. Respondents, Global and Mordini, are hereby assessed \$300.00, jointly and severally, payable to the National Association of Securities Dealers, Inc.

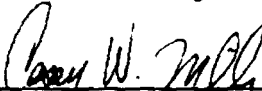
2. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including attorney's fees.

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

OTHER ISSUES

Respondent, Global, failed to appear and defend at the hearing of this matter. Pursuant to Claimant's Motion to Bar both Respondents from filing an Answer and presenting any arguments or defenses at the hearing, pursuant to Section 25(b)2 of the Code, this Arbitrator granted that Motion as to Global and denied it as to Mordini. While Global filed its Uniform Submission Agreement with the NASD on December 20, 1990 along with an Answer to the Claim, Global never served that Answer on Claimant as required by Section 25 of the Code. Based upon the record evidence contained in the NASD file and Arbitrator's Exhibit #2, this Arbitrator found actual service of the claim upon Global and notice of the hearing. Pursuant to Section 29 of the Code, this Award is rendered as if Global had appeared at the hearing of this matter.

Arbitrator's Signature

  
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Casey W. Mills, Esq.

Date of Decision: AUG. 27, 1991