

## NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
NASD Financial Center  
33 Whitehall Street  
New York, N.Y. 10004  
FAX (212) 858-4389

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In the Matter of the Arbitration BetweenName of Claimants

Carmella &amp; Linda Orlando

91-00398

Name of RespondentsEmanuel and Company  
Eric D. Emanuel

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REPRESENTATION

For Claimants Carmella Orlando and Linda Orlando ("Claimants"): Steven B. Caruso of Caruso & Caruso.

For Respondents Emanuel and Company ("EC") and Eric D. Emanuel ("Emanuel"): H. Thomas Dunck of Emanuel and Company.

CASE INFORMATION

Statement of Claim filed: February 1, 1991.

Claimants' Submission Agreement signed on: February 4, 1991.

Joint Statement of Answer filed by Respondents on: there was no date on the Statement of Answer; however, it was received by the NASD on May 1, 1991.

Respondent EC's Submission Agreement signed on: April 29, 1991.

Respondent Emanuel's Submission Agreement signed on: July 22, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: October 15, 1991/2 sessions  
February 3, 1992/1 session.

Hearing Location: NASD, New York City.

CASE SUMMARY

Claimants alleged Respondents recommended unsuitable investments, particularly AutoSpa Automalls, Inc. First Mortgage Bonds ("AutoSpa"); made material misstatements and omissions of fact; and made unauthorized transactions.

Respondents alleged Emanuel fully disclosed all pertinent issues regarding the AutoSpa investment; the action of AutoSpa to seek bankruptcy protection

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AWARD  
#91-00398

was not foreseeable at the time of the investment recommendations; and the information set forth in Paragraph Nos. 1- 12 of the Statement of Claim does not call for an answer since these statements do not allege any actionable conduct by Respondents as required by the Code of Arbitration Procedure.

**RELIEF REQUESTED**

Claimants requested: actual damages in the amount of \$99,500.00; interest; costs and disbursements; and attorneys' fees.

Respondents requested: the Statement of Claim be dismissed; costs and attorneys' fees.

**OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

**AWARD**

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

- 1- Respondents are liable, jointly and severally, and shall pay to Claimants the sum of SIXTY FIVE THOUSAND 00/100 (\$65,000.00) DOLLARS together with interest thereon, through the date of this decision, in the amount of TWENTY FIVE THOUSAND SIX HUNDRED FIFTY 00/100 (\$25,650.00) DOLLARS, less any amounts received by Claimants as interest, dividends or other income with respect to Claimants' purchase of the AutoSpa Automalls, Inc. bonds purchase and the AutoSpa Automalls, Inc. Common Stock and on the condition that Claimants assign to Respondents their AutoSpa Automalls, Inc. bonds and the AutoSpa Automalls, Inc. Common Stock and any claim or cause of action in connection with such bonds or stock and that Claimants execute such documents as may be necessary to effectuate such assignment;
- 2- All other claims are dismissed;
- 3- Each party shall bear its own costs, including attorneys' fees.

**FORUM FEES**

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$6150.00 non-refundable filing fee previously deposited by Claimants and the following Forum Fees are assessed.

**AWARD**

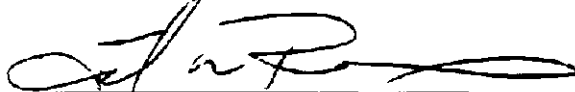
#91-00398

3 sessions X \$500.00 = \$1,500.00 minus hearing session deposit of \$500.00 =  
net \$1,000.00 due.

**Forum fees Assessed Against:**

1- Respondents, jointly and severally, in the amount of \$1,500.00. However,  
Respondents shall, jointly and severally, reimburse Claimants the sum of  
\$500.00 to represent their hearing session deposit, therefore, the amount  
due and owing equals \$1,000.00.

**CONCURRING ARBITRATOR**

A handwritten signature in dark ink, appearing to read 'Ted M. Rosen', is written over a horizontal line.

**Ted M. Rosen/Public Arbitrator**

**DATE OF DECISION: March 11, 1992**

AWARD

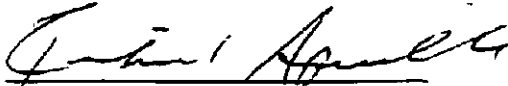
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CONCURRING ARBITRATOR



Richard Apicella/Industry Arbitrator

DATE OF DECISION: March 11, 1992

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**CONCURRING ARBITRATOR**

  
Marion P. Costanza/Public Arbitrator

DATE OF DECISION: March 11, 1992