

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Stephen R. Coffey

91-01069

Name of Respondent

Philip Worack

REPRESENTATION

Claimant Stephen R. Coffey ("Claimant") was represented by Salvatore D. Perlazzo, Esq. of the law firm of O'Connell & Aronowitz.

Respondent Philip Worack ("Respondent") was represented by himself.

CASE INFORMATION

Statement of Claim filed: April 4, 1991.

Claimant's Submission Agreement signed on: February 27, 1991.

Statement of Answer filed by Respondent on: July 22, 1991.

Respondent's Submission Agreement signed on: July 18, 1991.

HEARING INFORMATION

Hearing Date/Sessions: February 11, 1992, 2 sessions

Hearing Location: Albany, New York

CASE SUMMARY

Claimant alleged that based on a material misrepresentation from Respondent, he sold his interest in Converse and purchased Omnitec. Claimant alleged that when he learned of Respondent's misrepresentation, Respondent made further misrepresentations to induce Claimant to maintain his position in Omnitec. Claimant alleged that when he sold his interest in Omnitec he suffered a loss.

Respondent maintained that he made no material misrepresentations to Claimant to induce Claimant to purchase Omnitec and that he did not induce the Claimant to maintain his position in Omnitec. Respondent maintained that Claimant controlled his account and that he was not the Claimant's broker.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$30,000, attorneys' fees, return of commissions, interest and punitive damages in the amount of \$150,000.

Respondent requested that Claimant's claim be dismissed in its entirety and that Respondent be awarded his costs and expenses for defending this action.

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.

The panel decided to decline Respondent's request for it to consider his post hearing submission.

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. That Claimant's claim for compensatory damages is denied in its entirety.
2. That Claimant's claim for punitive damages is denied in its entirety.
3. That each party shall bear their own costs including attorneys' fees.
4. That all other claims are denied.

FORUM FEES

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

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The forum fees are equally assessed against the Claimant and the Respondent so that each party is assessed \$750. Claimant, however, is entitled to offset this amount with his hearing session deposit of \$750 so that no monies are due from the Claimant. Respondent shall pay \$750 to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature:

Name

Public/Industry


R. Douglas Paton

Industry Arbitrator

Date of Decision: August 31, 1992

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Concurring Arbitrator's Signature:

Name

Public/Industry

Michael L. Weitzman
Michael Weitzman

Public Arbitration
Public Arbitrator

Date of Decision: August 31, 1992

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Concurring Arbitrator's Signature:

Name

Public/Industry


Richard S. Bartlett, Esq./Chairman

Public Arbitrator

Date of Decision: August 31, 1992