

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between)	
<u>Name of Claimant(s)</u>)	
Eileen & Herbert Winkler)	
<u>Name of Respondent(s)</u>)	Case No. 91-01749
Princeton Financial Group, Inc.)	
Anthony Francel)	
Charles Brimble)	
Jerry Frederick Shorthouse)	
Anthony Joseph Pontieri)	

REPRESENTATION

For Claimants, Eileen & Herbert Winkler ("the Winklers"): Joshua Reynolds, Esq. of the law office of Joshua E. Reynolds.

Respondents, Anthony Pontieri ("Pontieri"), Anthony Francel ("Francel"), Charles Brimble ("Brimble"), and Jerry Frederick Shorthouse ("Shorthouse") were pro se.

For Respondent, Princeton Financial Group, Inc. ("Princeton") Anthony Pontieri.

CASE INFORMATION

Statement of Claim filed: June 7, 1991 and Amended on May 4, 1992. Claimants' Submission Agreement signed: March 6, 1991.

Respondent, Francel's, Statement of Answer filed: July 8, 1991 and Amended on June 22, 1992. Respondent's Submission Agreement signed: July 22, 1991 by Francel.

Respondents, Princeton, Pontieri, Brimble and Shorthouse, 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 November 11, 1992 in Tampa, Florida, a hearing lasting one (1) session was conducted.

CASE SUMMARY

Claimants alleged that Respondents were liable for: failure to follow Claimants' instructions; recommending and purchasing unsuitable, high risk stocks for Claimants; breach of fiduciary duty; negligence; breach of contract; failure to supervise; engaging in "boiler room tactics;" excessive mark-ups and mark-downs; misrepresentation; fraud and deceit; price manipulation; and, violations of State and Federal securities laws including Chapters 517 and 812 of the Florida Statutes and Section 12(2) of the Security Exchange Act of 1933 and Sections 78J (b), 78T (a) and Rule 10(b)(5) of the Security Exchange Act of 1934.

Respondent, Francel, denied all allegations of wrongdoing and alleged that: Claimants authorized all transactions; the stocks were suitable for Claimants; there was no breach of fiduciary duty; Francel executed all orders given him by Claimants; and, Francel did not engage in "boiler room tactics."

Respondents, Princeton, Pontieri and Shorthouse, failed to file Answers and did not appear at the hearing to defend.

Claimants dismissed with prejudice, Respondents, Francel and Brimble, (see "Other Issues").

RELIEF REQUESTED

Claimants requested damages of \$10,000.00, plus interest, costs and legal fees.

Respondent, Francel, requested dismissal of the claim.

OTHER ISSUES CONSIDERED & DECIDED

1. This arbitrator finds that Respondents, Princeton, Pontieri, Shorthouse and Brimble, were required to sign Submission Agreements pursuant to Sections 12 and 25 of the NASD Code of Arbitration Procedure ("Code") since Princeton was an NASD member firm at the time this controversy arose, and Respondents, Pontieri, Shorthouse and Brimble, were persons associated with an NASD member firm, Princeton Financial Group, Inc., at the time this controversy arose.
2. This arbitrator finds that jurisdiction exists pursuant to Section 12 of the Code and pursuant to the Forms U-4 executed by Respondents, Pontieri, Shorthouse and Brimble.
3. For the reasons set forth in the record of proceedings and contained in Arbitrator's Exhibit #2, this Arbitrator finds service upon, and adequate notice to, Respondents, Princeton and Pontieri. The NASD has made every effort to locate and serve Princeton and Pontieri with notice of the hearing as demonstrated by the evidence contained in Arbitrator's Exhibit #2.
4. This arbitrator finds that service was not effected on Respondent, Shorthouse, and therefore, Shorthouse is hereby dismissed, without prejudice.

5. Prior to the commencement of the hearing, Claimants dismissed Respondents, Francel and Brimble, with prejudice and, therefore, no Award is made with respect to those Respondents.

6. The parties that appeared at the hearing 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 parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, and Respondents Princeton and Pontieri neither appearing at the hearing nor requesting an adjournment thereof, the arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Princeton and Pontieri, are found liable, jointly and severally, and shall pay to the Claimants the amount of \$9,425.00, plus interest at the legal rate of 12% per annum (from January 8, 1990 to November 11, 1992) in the amount of \$3,213.28 for a total due to the Claimants of \$12,638.28.

2. Claimants' request for attorney's fees, costs and punitive damages is denied.

OTHER COSTS

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

FORUM FEES

1. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of \$200.00 (one session x \$200.00 per session)

2. Respondents, Princeton and Pontieri, are hereby assessed \$200.00, jointly and severally, payable directly to the Claimants as a refund of the session deposit previously paid by Claimants.

3. The NASD shall retain the non-refundable filing fee of \$75.00 paid by the Claimants.

4. Respondents, Princeton and Pontieri, shall reimburse the Claimants \$75.00 for the non-refundable filing fee.

5. The NASD shall retain the session deposit of \$200.00 paid by Claimants in full satisfaction of such forum fees.

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

Arbitrator's Signature

Richard J. Jones, III, Esq.
Richard J. Jones, III, Esq.

Public

Date of Decision: 12-29-72