

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :  
:  
Quinn Hartnett :  
:  
Claimant :  
:  
vs. : CASE #91-02193  
AWARD  
:  
J.W. Charles Securities, Inc. :  
Daniel Dailey :  
:  
Respondents :

### CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 17, 1991, Claimant Quinn Hartnett, who appeared Pro Se, alleged that Respondents, J.W. Charles Securities, Inc. and Daniel Dailey opened an options account for him, in which many unauthorized transactions took place, and that when he questioned the diminished value in his account, Respondent Daniel Dailey stated that he had attempted to make up for the initial loss by opening a margin account, but instead he continued to lose the Claimant's money.

Respondent, J.W. Charles Securities, Inc. through their in-house counsel Charles E. Scarlett, Esq., maintained that the Claimant was interested in a speculative strategy that would maximize his profit potential. Respondent J.W. Charles Securities, Inc. further maintained that the Claimant signed all appropriate account documents and received all confirmations. They also maintained that the broker, Daniel Dailey acted within all applicable regulatory guidelines and is not responsible for the Claimant's losses.

Respondent, Daniel Dailey failed to file an answer to the Statement of Claim.

RELIEF REQUESTED

Claimant, Quinn J. Hartnett requested \$10,000.00 in actual damages.

Respondent, J.W. Charles Securities, Inc. requested the claims of the Claimant be dismissed.

Respondent, Daniel Dailey failed to file an Answer to the Statement of Claim.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Joseph L. Bernstein, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 5, 1991 and by the Respondent, J.W. Charles Securities, Inc. on February 1, 1992 and not signed by Respondent Daniel Dailey as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

1. In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent, Daniel Dailey was served a copy of the Statement of Claim by certified and regular mail and given an opportunity to respond, which he failed to do. Service was effected as the certified package was returned and marked "unclaimed". Notification of Arbitrator's identity was rejected by Daniel Dailey as evidenced by the returned package which was marked "unclaimed".
2. Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent Daniel Dailey was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

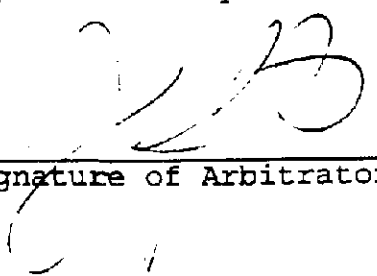
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents, J.W. Charles Securities, Inc. and Daniel Dailey are jointly and severally liable and shall pay to the Claimant Quinn J. Hartnett \$4,500.00 in actual damages, and \$720.00 in interest.
2. The parties shall bear their respective costs.

3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent J.W. Charles Securities, Inc. and Daniel Dailey shall pay \$150.00 to the Claimant as reimbursement.

AFFIRMATION

I, JOSEPH L. BERNSTEIN, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
\_\_\_\_\_  
Signature of Arbitrator

DATE OF DECISION: April 27, 1992