

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of Arbitration Between

John Czynscon

Claimant

CASE #91-02467
AWARD

vs.

Princeton Financial Group, Inc.

Thomas Eaton

Mark Rose

Respondents

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 8, 1991, Claimant John Czyscon by and through his counsel Richard N. Bach, Esq., Sole Practitioner, Utica, New York, alleged that in early 1990 Respondent Thomas Eaton, a broker with Respondent, Princeton Financial Group, Inc. solicited him to purchase 600 shares of Sharedata, Inc. at \$4.00 a share by misrepresenting its potential value. Claimant further alleged that he requested Respondent Thomas Eaton to provide a prospectus and related information about the investment, which Respondent Thomas Eaton refused to do. Claimant contended that when the stock started to decline, he contacted Respondent Princeton Financial Group, Inc. and was advised that Respondent Mark Rose would be servicing his account. Claimant further contended that he instructed Respondent Mark Rose to sell the stock but Respondent, Mark Rose insisted and recommended he not only hold the stock but indicated that he should purchase additional shares. Claimant asserted that Respondents, Princeton Financial Group, Inc., Thomas Eaton and Mark Rose made intentional misrepresentations about the investments value and thereafter, refused to follow Claimant's instructions to sell the stock so as to minimize his losses.

Respondent, Thomas Eaton who appeared Pro Se, maintained that in late 1989 Claimant John Czynscon contacted him in reply to Respondent Princeton Financial Group, Inc. flyer about the Sharedata, Inc. investment and requested a prospectus plus any additional information about this security. Respondent Thomas Eaton further maintained that since he was not familiar with this investment, he inquired with Respondent's Princeton Financial Group, Inc. traders about it and was informed that it was a new

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issue, therefore, it did not require a prospectus. Respondent contended that he repeated this information to Claimant and answered all of Claimant's questions, in addition to, ascertaining Claimant's financial background. Respondent Thomas Eaton further contended that Claimant later decided to invest in Sharedata, Inc. stock and instructed him to do so. Respondent Thomas Eaton asserted that on February 8, 1990 he resigned from Respondent, Princeton Financial Group, Inc. and advised all his clients that Respondent, Mark Rose would be handling their accounts. Respondent, Thomas Eaton further asserted that it is unfortunate that all investors do not profit but that Claimant was aware of this risk and Respondent, Thomas Eaton made no misrepresentations nor does he believe Respondent Mark Rose knowingly made any either.

Respondent Princeton Financial Group, Inc. and Mark Rose failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant, John Czynscon requested \$2,400.00 in actual damages.

Respondent, Thomas Eaton requested the claim be denied.

Respondents, Princeton Financial Group, Inc. and Mark Rose 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, J. Clark Winslow, 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 18, 1991 and not by the Respondents as required by Section 12 and 13 of the NASD Code of Arbitration Procedure.

1. In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondents Princeton Financial Group, Inc. and Mark Rose were served by regular mail on August 16, 1991 and given an opportunity to respond, which they failed to do so. Respondents, Princeton Financial Group, Inc. and Mark Rose were notified on October 29, 1991, December 10, 1991 and February 6, 1992 via certified mail, that their Statement of Answer was overdue. The certified letter dated October 29, 1991, was returned to the NASD, Inc. "unclaimed". Respondents, Princeton Financial Group,

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Inc. and Mark Rose were notified on February 10, 1992, via certified mail, of the selected arbitrator, pursuant to Section 22 of the NASD Code of Arbitration Procedure. Respondents, Princeton Financial Group, Inc. and Mark Rose failed to file an Answer to the Statement of Claim.

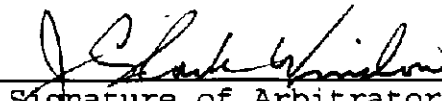
2. Pursuant to the By-Laws of the NASD the arbitrator determined that Respondents Princeton Financial Group, Inc. and Mark Rose were required to submit to this arbitration proceeding and are, therefore, bound by the arbitrator's ruling and determination.
3. The arbitrator determined that the Respondents Princeton Financial Group, Inc. and Mark Rose had knowledge of the claims against them and received notification of the identity of the selected arbitrator.

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. The claims of Claimant, John Czynscon against Respondents, Princeton Financial Group, Inc., Thomas Eaton and Mark Rose are dismissed.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant John Czynscon shall be retained by the NASD, Inc. Respondents, Princeton Financial Group, Inc., Thomas Eaton and Mark Rose are jointly and severally liable and shall pay to the Claimant the sum of \$25.00 as partial reimbursement.

AFFIRMATION

I, J. Clark Winslow, 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: June 16, 1992

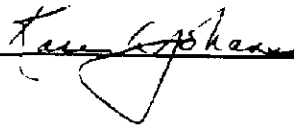
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STATE OF:

SS:

COUNTY OF:

On this 12 day of June, 1992, before me personally appeared J. Clark Winslow to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



KAREN A. JOHANSEN
Notary Public, State of New York
Qualified in Albany County
Commission Expires May 26, 1993

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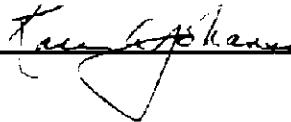
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