

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Marvin G. Frank :

Claimant :

vs. :

Global America, Inc. :
Eric P. Jones :

Respondents :

CASE #91-02701
AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 29, 1991, Claimant, Marvin G. Frank, who appeared Pro Se, alleged that on December 27, 1990 Respondent, Eric P. Jones, a registered representative at Respondent, Global America, Inc., purchased 2,000 shares of Capucino's Inc. ("CINO") in his account for the total purchase price of \$5,251.00 without his knowledge or authorization. Claimant further alleged that Respondent, Eric P. Jones made this unauthorized purchase while Claimant was away on vacation and upon his return he discovered this trade, at which time, Claimant notified Respondents, Global America, Inc. and Eric P. Jones on January 5, 1991, of the unauthorized transaction and requested it be cancelled. Claimant contended that on January 23, 1991 he received a letter from Prudential-Bache Securities Credit department, Respondent's, Global America, Inc. clearing agent, requesting full payment for the unauthorized CINO trade, at which time, he tried to correct the error to no avail. Claimant further contended that he had to sell additional shares and send a cash balance of \$1,551.50 to Prudential-Bache Securities to satisfy the debit balance left from the unauthorized trade. Claimant asserted that Respondents, Global America, Inc. and Eric P. Jones inappropriate handling of his account and unauthorized trade, caused him to sustain losses.

Respondent, Eric P. Jones, who appeared Pro Se, maintained that on December 27, 1990 Claimant, Marvin G. Frank verbally authorized the purchase of 2,000 shares of CINO prior to his vacation and upon Claimant's return, accompanied by the trade confirmation from Prudential-Bache Securities, Claimant contacted Respondent, at which time, they discussed the performance of his portfolio. Respondent maintained that in this same conversation,

Claimant explained that he was deciding to either pay for the CINO trade or cancel it, at which time, Claimant called later that day and cancelled the trade. Respondent contended that he completed the proper paperwork to effect the cancellation, at which time, Respondent, Global America, Inc. ceased making a market in all their stocks; consequently, the trade was never cancelled. Respondent further contended that when the cancellation was not effected, Prudential-Bache Securities Credit Department demanded full payment, at which time, Respondent worked with Claimant to try to remedy the situation but which efforts were fruitless. Respondent asserted that Respondent Global America, Inc. failed to perform their duties that were requested by him as the broker of record with respect to Claimant's account and should be held liable for Claimant's losses.

Respondent, Global America, Inc. failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant, Marvin G. Frank requested \$7,565.00 in actual damages.

Respondent, Eric P. Jones requested the claim be dismissed.

Respondent, Global America, Inc. 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, Leah G. Rabinowitz, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 22, 1991, by the Respondent, Eric P. Jones on May 4, 1992 and not by the Respondent, Global America, Inc. 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, Global America, Inc. was served a copy of the Statement of Claim by regular mail on September 9, 1991 and given an opportunity to respond, which they failed to do. Respondent, Global America, Inc. failed to file an Answer to the Statement of Claim.

2. Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent, Global America, Inc. 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. Respondent, Global America, Inc. is liable and shall pay to the Claimant, Marvin G. Frank the sum of \$1,551.00 in damages.
2. The claims of Claimant, Marvin G. Frank against Respondent, Eric P. Jones are dismissed.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant, Marvin G. Frank shall be retained by the NASD, Inc. Respondent, Global America, Inc. is liable and shall pay to the Claimant, Marvin G. Frank the sum of \$150.00 as reimbursement.

AFFIRMATION

I, LEAH G. RABINOWITZ, 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: ~~REDACTED~~

AUG 04 1992