

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
Franklin Gottman, DDS - TTEE :
Claimant : CASE #91-02807
vs. : AWARD
Corporate Securities Group Inc. :
Thomas McGovern :
Respondents :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 9, 1991, Franklin Gottman, DDS who appeared Pro Se, alleged that Respondents Corporate Securities Group, Inc. and Thomas McGovern recommended he short First Interstate Bankcorp. when he had originally intended to sell his Stratus Corp. stock and keep the profits. The Claimant further alleged that Respondent Thomas McGovern convinced him to hold this short position, although the stock was climbing and he had explained his desire not to risk this money. Claimant Franklin Gottman further alleged that the respondents disregarded his desire to sell the position and that he was manipulated by them, causing not only the loss of his entire proceeds from his original sale of the Stratus Corp. stock, but also additional money he had to pay to meet margin calls in the account.

Respondent, Corporate Securities Group Inc. and Thomas McGovern through their counsel Charles E. Scarlett, Esq., Boca Raton, FL maintained that the Claimant was a sophisticated investor and that he was fully informed of the strategy of this investment and the associated risk. The Respondents further maintained that Dr. Gottman could have covered the short position at a small profit and he chose not to do so; that he kept the position for over three months, hoping the stock would drop. The Respondents contended that they acted properly under the circumstances and in accordance with all applicable rules and regulations.

In a reply to the Respondents' answer Claimant Franklin Gottman, DDS refuted the defenses used by the Respondents, stating there is much misinformation in their answer, and that had the offer to sell the position been made, he would have done so, but that Respondent McGovern always made it seem as though he should continue to hold the short position.

RELIEF REQUESTED

Claimant, Franklin Gottman, DDS, TTEE for PC Profit Sharing Plan & Trust requested \$10,000.00 in actual damages.

Respondents, Corporate Securities Group Inc. and Thomas M. McGovern requested the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the national Association of Securities Dealer, inc. Code of Arbitration Procedure, a single Public Arbitrator, Gerard S. Marsan, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant of September 13, 1991 and by the Respondent Corporate Securities Group Inc. on November 12, 1991 and Thomas McGovern on November 29, 1991.

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 the Claimant Franklin Gottman, DDS, TTEE - PC Profit Sharing Plan & Trust against Respondents Corporate Securities Group, Inc. and Thomas McGovern are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$75.00 non-refundable filing fee previously deposited the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. The hearing session deposit of \$75.00 shall be reimbursed by the NASD to the Claimant, Franklin Gottman, DDS.

AFFIRMATION

I, GERARD S. MARSAN, 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: July 07, 1992