

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Angelo Colavita, Trustee :

Claimant :

vs. :

CASE #91-03111
AWARDDrake Capital Securities, Inc. :
Charles Pascal :Respondents :
-----CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 4, 1991, Claimant, Angelo Colavita, TTEE, who appeared Pro Se, alleged that Respondents, Charles Pascal and Drake Capital Securities, Inc. recommended a purchase of Eastern Airlines Preferred Stock Class "D", stating to him that there was no risk to this investment, and that the firm filed for bankruptcy, leaving his investment worthless. The Claimant further alleged that he never would have made this purchase of it hadn't been recommended to him.

Respondent, Drake Capital Securities, Inc. through its in-house representative, Sally L. Case, maintained that it denies all allegations of misconduct, and that the Claimant knew of the risks involved in this speculative investment and represented himself as a sophisticated investor, and the Claimant indicated that he'd read the research report and was willing to accept the risk.

Respondent, Charles Pascal, who appeared Pro Se, maintained that he informed the Claimant that this was a highly speculative situation and advised Mr. Colavita to read the report before making a purchase. The Respondent further maintained that the Claimant knew and understood the risks involved in this purchase, that he was sophisticated in investments and that he made a fully disclosed decision to purchase this stock.

Claimant, Angelo Colavita filed a response to both answers in which he reiterates his position and requests compensation for his loss.

RELIEF REQUESTED

Claimant, Angelo Colavita requested \$3,888.00 in actual damages, \$3,888.00 in punitive damages, plus interest and costs.

Respondent, Drake Capital Securities, Inc. requested the claims of the Claimant be dismissed.

Respondent, Charles Pascal also requested the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Thomas E. Higgins, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 22, 1991, by the Respondent, Drake Capital Securities, Inc. on December 20, 1991, Respondent Charles Pascal signed the Uniform Submission Agreement, but failed to provide the date or a proper notarization.


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, Angelo Colavita, TTEE against Respondents, Drake Capital Securities, Inc. and Charles Pascal are dismissed in their entirety.
2. The Claimant's request for punitive damages is denied.
3. The parties shall bear their respective costs.
4. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

Page Three
Award 91-03111

AFFIRMATION

I, **THOMAS E. HIGGINS**, 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 24, 1992