

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Antonio & Carolyn Romano :

Claimants :

vs. :

Albert A. Matani :

Respondent :

PUBLIC

CASE #91-03529
AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 8, 1991, Claimants, Antonio & Carolyn Romano who appeared Pro Se, alleged that Respondent Albert A. Matani, a registered representative of Kochcapital, executed the sale of 1500 shares of International Environmental Group ("IEG") and the purchase of 1000 shares of Drug Detection Systems, Inc. in their account without Claimants' authorization. Claimants further alleged that when they received confirmations for these unauthorized trades, they immediately notified Respondent of the error and requested the trades be reversed. Claimants contended that Respondent informed them the trades had been an accident but tried to convince them into keeping 600 shares of the 1000 shares Drug Detection Systems, Inc. stock in their account and after Respondent pressured them, Claimants agreed to this solution. Claimants further contended that Respondent failed to make this adjustment in their account and instead the 1000 shares of Drug Detection Systems, Inc. had been sold leaving a balance owing in their account. Claimants asserted that Respondent informed them he would correct this error, in addition to sending them their proceeds of the sale of the International Environment Group stock. Claimants further asserted that Respondent again failed to correct the error in addition to failing to send them their proceeds as promised, thus creating losses to Claimants.

Respondent, Albert A. Matani by and through his representative, Jerald Judkowitz, maintained that he became Claimants', Antonio & Carolyn Romano, broker after their former broker left Kochcapital, at which time he suggested Claimants sell their "IEG" stock at a profit and place the remaining balance after the purchase of Drug Detection Systems, Inc. into a money market account. Respondent further maintained that Claimants authorized

him to only sell 1500 shares of their "IEG" stock and purchase 1000 shares of Drug Detection Systems, Inc., leaving a balance of 4500 shares of "IEG" in their account along with a debit balance. Respondent contended that he never pressured Claimants into keeping 600 shares of Drug Detection Systems, Inc. and such a scenario would have been in violation of Section 220.8(a)(1) as issued by the Board of Governors of the Federal Reserve System pursuant to the Securities Exchange Act of 1934. Respondent further contended that all allegations made by Claimants he categorically denies.

Respondent asserted a Motion to Dismiss the Statement of Claim pursuant to Section 13(b) and Section 25 of the NASD Code of Arbitration Procedure.

Claimants requested the Motion to Dismiss be denied.

RELIEF REQUESTED

Claimants, Antonio & Carolyn Romano requested \$3,185.50 in actual damages plus interest at 5% per annum from February, 1991 until the arbitration is settled.

Respondent, Albert A. Matani requested the claim be denied.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Erica C. Bushner, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on November 1, 1991 and by the Respondent on December 30, 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 Claimants, Antonio & Carolyn Romano against Respondent, Albert A. Matani are dismissed.
2. The parties shall bear their respective costs.

3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants, Antonio & Carolyn Romano shall be retained by the NASD, Inc. Respondent, Albert A. Matani is liable and shall pay to the Claimants the sum of \$125.00, as reimbursement.

AFFIRMATION

I, ERICA C. BUSHNER, 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.

Erica C. Bushner
Signature of Arbitrator

DATE OF DECISION: June 16, 1992