

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between	)	
<u>Name of Claimant(s)</u>	)	
Elizabeth Botchis	)	
<u>Name of Respondent(s)</u>	)	Case No. 92-00887
Castle Securities Corp.	)	
Douglas Shebroe	)	
V.P. Securities, Inc.	)	
Nicholas Ferrara	)	

REPRESENTATION

Claimant, Elizabeth Botchis ("Botchis") pro se.

Respondent, Castle Securities, Corp. ("Castle") Charles M. O'Rourke, Esq.,  
Sole Practitioner.

Respondent, Douglas Shebroe ("Shebroe") pro se.

Respondent, V.P. Securities, Inc. ("V.P.") pro se.

Respondent, Nicholas Ferrara ("Ferrara") pro se.

CASE INFORMATION

Statement of Claim filed: March 13, 1992. Claimant's Submission Agreement  
signed: February 26, 1992.

Respondent, Castle's Statement of Answer filed: May 15, 1992 Respondent,  
Castle, did not file a Submission Agreement.

Respondent, Douglas Shebroe's Statement of Answer filed: May 11, 1992.

Respondents, V.P. and Ferrara did not file Statements of Answer or signed  
Submission Agreements.

HEARING INFORMATION

On August 8, 1992, in Charlotte, North Carolina, a hearing lasting Two (2)  
session was conducted.

MEAD 992-00887

CASE SUMMARY

Claimant alleged that she is an unsophisticated investor and that Respondents misrepresented the status of her account; failed to execute a sell order; failed to refund monies owed; made unauthorized transactions and fraudulently misrepresented securities in connection with the purchase of investments for her account of shares of Champion Sports Inc.; Lifeline Holdings, Inc. and American Golf Works, Inc. Claimant alleged that her account was mishandled both while at Castle Securities Corp. and then again when it was transferred to V.P. Securities Corp. causing her substantial financial losses.

Respondent, Shebroe, denied all allegations of wrongdoing and maintained that he at all times acted in the best interest of Claimant with respect to the handling of her account and that he gave no assurances nor guarantees to Claimant with respect to price nor time of payment with respect to her investments. Respondent, Shebroe contended that the only cause for concern in this matter would be the time that it took to sell Claimant's shares of Lifeline and that this delay was due to the fact that his firm was in the midst of transferring its accounts and assets to V.P. Securities.

Respondent, Castle Securities, denied all allegations of wrongdoing and maintained that Claimant suffered no damages while her account was at Castle at no time did she file a complaint or indicate that there was a problem with her account. Castle further maintained that Claimant waived all claims, authorized and ratified all transactions as to Castle and that Claimant authorized and consented to the transfer of her securities and account to V.P. Securities.

Respondent V.P. Securities did not submit a Statement of Answer nor did it appear at the hearing (See Other Issues).

Respondent, Nicholas Ferrara, did not submit a Statement of Answer, nor did he appear at the hearing (See Other Issues).

RELIEF REQUESTED

Claimant requested \$29,508.75, trebled.

Respondent, Castle requested dismissal of the Claim.

Respondent, Shebroe, requested dismissal of the Claim.

OTHER ISSUES CONSIDERED & DECIDED

Respondents, Castle, Shebroe, V.P. and Ferrara did not submit executed Submission Agreements nor did they appear at the hearing. Based upon the evidence submitted in Arbitrator's Exhibit No. 1 regarding hearing notices to the parties, this arbitration panel found that proper notice existed as well as jurisdiction pursuant to Section 12 (a) of the Code of Arbitration Procedure over Respondents. Pursuant to Section 29 of the Code of Arbitration Procedure and based upon evidence in Arbitrators' Exhibit No. 1, this arbitration panel proceeded with the hearing in their absence.

WARD #92-00887

WARD

1. After considering the pleadings, the testimony and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

2. Respondents, Castle Securities Corp., Douglas Shebroe, VP Securities, Inc. and Nicholas Ferrara, are found liable jointly and severally, and shall pay to the Claimant, Elizabeth Botchis, the amount of Thirty Three Thousand Dollars and No Cents (\$33,000.00) including interest and costs;

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

1. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$1,000.00 (two sessions x \$500.00 per session).

2. Respondents, Castle, Shebroe, V.P. and Ferrara are hereby assessed, jointly and severally, forum fees of \$500.00 payable to the National Association of Securities Dealers, Inc.,

3. The NASD shall retain the non-refundable filing fee of \$150.00 paid by the Claimant,

4. The NASD shall retain the session deposit of \$500.00 paid by Claimant.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Concurring Arbitrators' Signatures

/s/

H. Victor Schwimmer, Esq.  
(Public/Chairman)

/s/

James E. Brucki, Jr.  
(Industry/Panelist)

/s/

Hugh M. Egan  
(Public/Panelist)

Date of Decision: October 19, 1992