

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Paul Abbruscato

vs.

92-02400

Name of Respondents

Kirlin Securities, Inc.
Sy Cohen

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 21, 1992, Claimant Paul Abbruscato, who appeared Pro Se, alleged that in March 1991 he purchased a \$25,000 face value Collateralized Mortgage Obligation ("CMO") for a premium investment of \$1,125.00 whereby Respondent Sy Cohen, Investment Executive of Respondent Kirlin Securities, Inc. assured him that the principal payback would only occur after 8/94 and he would receive a return yield of 9% through 8/94. Claimant further alleged that after receiving monthly dividends from March 20, 1991, he received his April 1992 statement notifying him that the CMO was redeemed at face value of \$25,000 and deposited in a money account, whereby Claimant immediately realized a loss of principal of \$1,121.00, in addition to the loss of subsequent earnings projected by Respondent Kirlin Securities, Inc. Claimant contended that Respondents failed to provide full disclosure, which caused him to suffer a loss.

Respondents Kirlin Securities, Inc. and Sy Cohen by and through Anthony Kirincic, President, maintained that they explained to Claimant Paul Abbruscato in detail the CMO investment, at which time, they sent him various pieces of literature which were discussed in detail. Respondents further maintained that Claimant appeared very knowledgeable and comfortable with this investment whereby Claimant was completely aware of the fact that he paid a premium for the bond and that all disclosed characteristics were approximate, stated according to industry standards. Respondents contended that Claimant did have a positive return on his investment and that return was similar to one he would receive on a one year vehicle whereby Claimant did not suffer any monetary loss for the period he owned the bond.

RELIEF REQUESTED

Claimant Paul Abbruscato requested \$3,068.00 in actual damages.

Respondents Kirlin Securities, Inc. and Sy Cohen requested the claim be dismissed.

AWARD

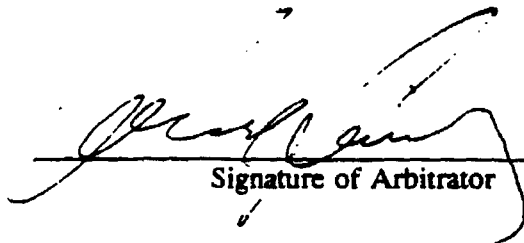
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Arnold Limsky, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 16, 1992 and by the Respondents on September 14, 1992.

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 Kirlin Securities, Inc. is liable and shall pay to the Claimant Paul Abbruscato the sum of \$840.75 in damages.
2. Respondent Sy Cohen is liable and shall pay to the Claimant Paul Abbruscato the sum of \$280.25 in damages.
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 Paul Abbruscato shall be retained by the NASD, Inc. Respondent Kirlin Securities, Inc. is liable and shall pay to the Claimant the sum of \$93.75 as partial reimbursement. Respondent Sy Cohen is liable and shall pay to the Claimant the sum of \$31.25 as partial reimbursement.

AFFIRMATION

I, **ARNOLD LIMSKY**, 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: January 15, 1993

STATE OF:

SS:

COUNTY OF:

On this 8th day of January, 1993, 1992, before me personally appeared **Arnold Limsky** to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



DONNA MASERA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires February 3, 1994