

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Michael P. Psillos

vs.

92-02597

Name of Respondents

The America Insurance Company
Andrew P. Nardella

REPRESENTATION

Claimant Michael P. Psillos appeared pro se.

Respondent American Insurance and Andrew Nardella did not appear.

Respondent Prudential Securities was dismissed from the case prior to the hearing.

CASE INFORMATION

Statement of Claim filed: November 19, 1992.

Claimant's Submission Agreement signed on: November 23, 1992.

Statement of Answer filed by Respondent Prudential Securities, Inc. on: January 19, 1993.

Respondent Prudential Securities, Inc.'s Submission Agreement signed on: February 12, 1993.

HEARING INFORMATION

Hearing Date/Session: November 3, 1993 / One Session
 January 18, 1994 / Two Sessions

Hearing Location: The Guest Quarters Hotel in Charlotte, North Carolina.

CASE SUMMARY

Claimant alleged he had an account with Global America which consisted of A. G. Automotive Warehouses, Inc., Nycome Information Services, Inc., HQ Office Supplies Warehouse and Profit Technology, whereby, Global America became defunct and this account was picked up by Respondent Prudential Securities, Inc. Claimant alleged that in October, 1990 he placed a sell order which was ignored, whereby, the security continued to decline in value until they became worthless. Claimant contended that he instructed Respondent Nardella to sell the stocks and Nardella told him that the bank was backing their securities would not let them sell because they had to have a certain amount of liquid assets in their accounts. Claimant alleged that he then sent Global America a directive to sell the stock and Respondent Nardella was allegedly in Europe but no where to be found, which caused Claimant to suffer a loss of \$10,000.00 in his account.

Respondent Prudential Securities, Inc. maintained that the Claimant alleged that the sell order was placed with Mr. Nardella in October 1990 through Global America. Respondent Prudential maintained that the securities that are subject of this claim were never purchased through Respondent Prudential and at the time of the alleged order Respondent Nardella was employed by Global America. Respondent Prudential further maintained that Claimant has not stated any claim against it and therefore Respondent Prudential should be dismissed as a Respondent.

Respondent Nardella maintained that Claimant did not mention any sell order in October, 1990. Respondent Nardella further maintained that no single position in Claimant's portfolio was ever worth \$10,000.00 and not all the stock are worthless today.

Respondent American Insurance Company maintained that it issued a Blanket Bond Covering Securities Agent representing a Broker-Dealer showing Global America Securities as principal, Respondent American Insurance Co. as surety and the Securities Commissioner of the State of South Carolina as the obligee with a penal sum in the amount of \$1,000.00.

Respondent American Insurance Company maintained that it is not a proper party to the Arbitration and is not a signatory to the NASD Arbitration Agreement.

RELIEF REQUESTED

Claimant requested \$10,000.00 in compensatory damages.

Respondents requested all claims be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

The arbitration panel made the following rulings with regard to the Respondents American Insurance and Andrew Nardella:

In accordance with Section 1 of the Code, the panel ruled that it had jurisdiction over the Respondents American Insurance.

In accordance with Section 25 of the Code, the Respondents American Insurance was served with the Statement of Claim and given an opportunity to respond which they failed to do;

In accordance with Section 21 and Section 26 of the Code, the Respondents American Insurance was given due notice of the hearing procedure by regular and certified mail and failed to appear at the hearing;

In accordance with Section 29 of the Code, the panel ruled that the Respondents American Insurance had adequate notice of this hearing and determined to proceed with the Respondents as parties in their absence.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondent Prudential Securities, Inc. were dismissed prior to the hearing.
2. All claims against Respondents America Insurance Co. & Andrew P. Nardella be and hereby are dismissed in their entirety.
3. Each party shall bear their own costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

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3 sessions x \$200.00 = \$600.00 less hearing session deposit of
\$200.00 = \$400.00 net due.

Claimant be and hereby is liable and shall pay the NASD the sum of \$400.00 to represent forum fees.

The NASD shall retain the \$75.00 filing fee and \$200.00 hearing session deposit previously paid by Claimant.

ARBITRATOR SIGNATURE



John F. Snyder, Esq.
Public Arbitrator

Date of Decision: February 10, 1994