

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Oreste Petillo

vs.

Case #
92-02675

Name of Respondents

Robert Todd Financial Corp.
Thomas F. Holeva
Robert Sobieraj

REPRESENTATION

For Claimant, Oreste Petillo ("Claimant"): Jeanmarie A. Riccio, Esq.

For Respondent, Robert Todd Financial Corp. ("Robert Todd"): Leslie K. Case, Esq. from the law firm of Giersten, Savage, Kaplowitz & Curtin.

Respondents, Thomas E. Holeva ("Holeva") and Robert Sobieraj ("Sobieraj"), appeared without counsel.

CASE INFORMATION

Statement of Claim was filed on August 10, 1992.

Claimant's Submission Agreement was signed on August 5, 1992.

Motion to Preclude was filed on December 21, 1992.

Statement of Answer was filed by Robert Todd on December 24, 1992.

Robert Todd's Submission Agreement was signed on December 23, 1992.

Statement of Answer was filed by Holeva on December 10, 1992.

Holeva's Submission Agreement was signed on December 9, 1992.

Statement of Answer was filed by Sobieraj on January 25, 1993.

Sobieraj's Submission Agreement was signed on February 2, 1993.

HEARING INFORMATION

Hearing Date/Sessions: September 17, 1993 - Two Sessions.

CASE SUMMARY

Claimant alleges that both Holeva and Sobieraj serviced his account which he maintained at Robert Todd. Claimant also alleges that in servicing his account, Holeva and Sobieraj made unsuitable investments in highly speculative new issues, purchased and sold securities without authorization and purchased securities which were not registered in Connecticut. Claimant states that the securities in issue are: Franklin Consolidated Mining Company, Inc., Champion Sports, Inc., Northern Information Technology, Inc., Medical Devices and Optimum Electronics Inc. Claimant maintains that as a result of Respondents' wrongdoing, he sustained a loss of \$31,557.95 excluding commission.

Robert Todd denies the allegations of wrongdoing and denies liability. Robert Todd contends that as a matter of law Champion Sports Inc. was not required to be registered in Connecticut. Robert Todd argues that, as a matter of fact, Claimant's claim that he was coerced to convert his Franklin bonds into common stock, should also fail because Claimant failed to allege how he was coerced and based upon the affidavits of Holeva and Sobieraj. Robert Todd contends that when Claimant made money, he did not complain; but when he sustained a loss, he complained in a wrongful attempt to recover those losses.

Holeva denies the allegations of wrongdoing and denies liability. Holeva states that he inherited Claimant's account from Sobieraj when Sobieraj was contemplating leaving the securities industry. Holeva maintains that all trades were made at Claimant's instructions and with his authorization. Holeva states that Claimant received all monthly statements and if Claimant has a complaint, it is against Sobieraj to which Sobieraj responded in August, 1992.

Sobieraj denies the allegations of wrongdoing and denies liability. Sobieraj states that Claimant was his childhood neighbor and lived on the same street as he did. Sobieraj also states that Claimant was working on his masters and, worked as a part-time model and teacher who lived at home rent free.

Sobieraj alleges that Claimant invested in Apple Computer on the Over-The-Counter Market and made money on four transactions in a row. Sobieraj also alleges that Claimant was interested in precious metals and purchased the Franklin debenture when Franklin offered bondholders an opportunity to convert the bonds to common stock, Claimant, like seventy percent of all bondholders, converted to common stock. Sobieraj further alleges that the other trades were made because Claimant wanted them.

RELIEF REQUESTED

Claimant requests an award of \$31,557.75.

Respondents request that the claims be denied.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed to receive conformed copies of the award while the originals remain on file with the NASD.

Claimant moved to preclude Respondents' Robert Todd and Sobieraj, Statement of Answers because they were not timely filed. Robert Todd objected on the basis that they obtained and Claimant consented to an extension of time until December 23, 1992 and on that date the answer was placed in the mail. Sobieraj objected on the basis that he does not reside at the address where the Statement of Claim was mailed and it took some time for him to obtain it. After hearing all arguments, this Panel denied the motion.

AWARD

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

1. All claims asserted by the Claimant are denied in their entirety.
2. Robert Todd shall reimburse Claimant \$ 60.00 in accordance with paragraph 2 of the Forum Fees section of this decision.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed and shall be borne equally by Claimant and Robert Todd:

Non-refundable Filing Fee: \$120.00

Hearing Session Fees: \$400.00 x 2 sessions = \$800.00

1. Claimant deposited \$520.00 and is entitled to a refund of \$60.00 in accordance with paragraph 2 of this section and of the Award section.
2. Robert Todd shall satisfy the fees assessed by reimbursing Claimant \$60.00 and by remitting \$400.00 to the NASD, Inc.

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

ARBITRATION PANEL

James F. Gill, Esq.

Public Chairperson

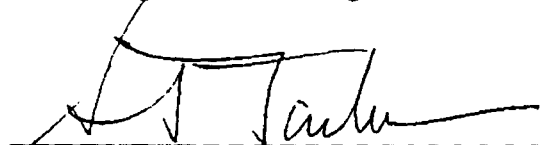
Seth T. Taube, Esq.

Public Panelist

Richard Berenger

Industry Panelist

Concurring Arbitrator's Signature


Seth T. Taube

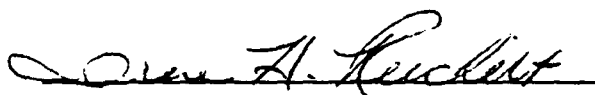
Date of Decision: October 26, 1993

STATE OF: New Jersey

SS:

COUNTY OF: Essex

On this 15 day of October 1993, before me personally appeared **SETH T. TAUBE, ESQ.** 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.


DAVID A. HENDEL
A Notary Public in and for the State of New Jersey
My Commission Expires 12/31/95

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

ARBITRATION PANEL

James F. Gill, Esq.

Public Chairperson

Seth T. Taube, Esq.

Public Panelist

Richard Berenger

Industry Panelist

Concurring Arbitrator's Signature

James F. Gill
James F. Gill, Esq.

Executed on: Oct 14, 1993
~~Date of Decision:~~

Date of Decision: October 26, 1993

STATE OF: New York

SS:

COUNTY OF: New York

On this 14th day of October, 1993, before me personally appeared JAMES F. GILL, ESQ. 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.

Sheila G. Grubman
SHEILA G. GRUBMAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01GR1592540
QUALIFIED IN WESTCHESTER COUNTY
COMMISSION EXPIRES AUG. 31, 1995

SHEILA G. GRUBMAN
NOT. STATE OF NEW YORK
NO. 01GR1592540
WESTCHESTER COUNTY
AUG. 31, 1995

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

ARBITRATION PANEL

James F. Gill, Esq.

Public Chairperson

Seth T. Taube, Esq.

Public Panelist

Richard Berenger

Industry Panelist

Concurring Arbitrator's Signature

Richard Berenger
Richard Berenger

Executed on:

~~xDate of Decisionx~~ Sept. 17, 1993

Date of Decision: October 26, 1993

STATE OF:

COUNTY OF:

SS: 124 34 4067

On this 18th day of October, 1993, before me personally appeared **RICHARD BERENGER** 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.

Robert J. Taddeo
ROBERT J. TADDEO
NOTARY PUBLIC, STATE OF NEW YORK
NO. 31-477-8404
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES MARCH 30, 1994