

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Name of Claimant

Dunhill Equities, Inc.

Name of Respondent

Sandy Masselli, Jr.

For Claimant Dunhill Equities, Inc.: Evan L. Gordon, Esq.

The Respondent did not appear.

Statement of Claim filed: August 28, 1992.

Claimant's Submission Agreement signed on: August 26, 1992.

The Respondent did not execute a Submission Agreement or submit a Statement of Answer as required pursuant to Section 25 of the Code of Arbitration Procedure.

Hearing Date/Sessions: May 27, 1993 / One Session
October 7, 1993 / One Session

Hearing Location: NASD office located in New York City, New York

Claimant alleged on May 19, 1992, Mr. Masselli purchased 180,000 shares of H&O Life Sciences Investors, a new issue, for a client and under the terms of the

underwriting agreement, concessions to dealers are withheld if the shares are sold by the dealers within sixty days from the date of offering. Claimant further alleged on April 23, 1992, Mr. Masselli purchased several lots of Blackstone Investment Quality Term Trust ("BQT"), another new issue, totalling 164,000 shares and this new issue had a similar thirty-day syndicate restriction and Mr. Masselli was paid commissions on these purchases amounting to \$129,692.78 and Dunhill Equities, Inc. was also paid commissions amounting to \$22,886.96

Claimant further alleged Dunhill was subsequently informed by Prudential Securities, Inc., the underwriter of both these issues, that all of the H&Q stock and 29,000 shares of Blackstone were sold by Mr. Masselli's customers within the applicable penalty period and in response to an inquiry from Dunhill and from Morgan Stanley, Dunhill's clearing broker, Mr. Masselli denied that the H&Q and Blackstone shares had been sold and he provided an alleged statement from the Bank of America, the clients custodian bank which he claimed showed that his client was still holding the position as of June 30, 1992 and Dunhill has subsequently discovered that this statement is a forgery.

Claimant further alleged Dunhill has demanded that Mr. Masselli return his unearned commission in the sum of \$129,692.78 and Mr. Masselli has refused to return the money and in addition, as a result of Mr. Masselli's actions, Dunhill lost commissions totalling \$22,886.96.

Claimant further alleged Dunhill had already booked 135,800 shares of another Blackstone (now called Blackrock) new issue at \$10.00 per share and because of Mr. Masselli's machinations, Prudential Bache has shut Dunhill out of that new issue, resulting in a loss of 4% commission totalling \$54,320.00

RELIEF REQUESTED

Claimant requested damages of \$206,889.74 together with attorneys' fees and costs.

OTHER ISSUES

The Claimants agreed on the record to proceed with two arbitrators as the third member of the arbitration panel was unable to attend the hearing.

Furthermore, a letter was submitted on behalf of the Respondent stating he would be unable to attend the arbitration hearing. In response, the NASD sent a letter that explained the proper procedures to follow to request a postponement and further stated the case would go forward as scheduled unless those procedures were followed. A subsequent letter was sent by the Respondent to the NASD stating he would be unable to attend the arbitration. This letter again did not fulfill the requirements set forth in the NASD Code of Arbitration Procedure for requesting a postponement. The Claimant submitted an objection to the letter and

the arbitration panel ruled they would proceed with the hearing. The Respondent did not return two calls that were placed to him at his office the day prior to the hearing.

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) The arbitration panel made the following rulings with regard to the Respondent:

In accordance with Section 1 of the Code of Arbitration Procedure ("Code"), the panel ruled that it had jurisdiction over the Respondent:

In accordance with Section 25 of the Code, the Respondent was served with the Statement of Claim and given an opportunity to respond which he failed to do;

In accordance with Section 21 and Section 26 of the Code, the Respondent 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 Respondent had adequate notice of this hearing and determined to proceed with the Respondent as a party in his absence.

- 2) The Respondent hereby is liable and shall pay to the Claimant the sum of \$152,579.74 plus simple interest at the rate of 9% per annum commencing on August 1, 1992 until the date of payment of the Award.
- 3) Each party shall bear their respective costs including attorneys' fees.

FORUM FEES

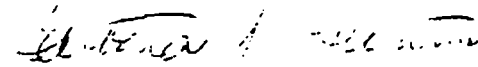
Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed:

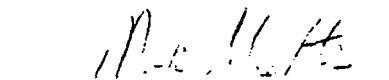
2 sessions x \$750.00 = \$1,500.00 less Claimant's hearing session deposit (\$1,000) = net \$500.00 due.

The Claimant hereby is liable and shall pay to the NASD the balance due of \$500.00 representing forum fees.

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

Concurring Arbitrators' Signatures
Name


Barbara Glens, Esq. - Industry


Mark D. Shefts - Industry

Date of Decision: November 5, 1993

Award #92-02922

STATE OF: NEW YORK

SS:

COUNTY OF: NEW YORK

On this 19th day of OCTOBER, 1993, before me personally appeared Barbara J. Glenns, Esq. know and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Michael J. Puri

STATE OF:

COUNTY OF:

SS:

On this 5th day of November, 1993, before me personally appeared Mark D. Shefts known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Linda Lerner

LINDA LERNER
NOTARY PUBLIC, STATE OF NEW YORK
NO. 0218012863
QUALIFIED IN WESTCHESTER COUNTY
COMMISSION EXPIRES JUNE 18, 1995