

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

George Dolling

92-03456

Name of Respondent(s)

Vantage Securities, Inc.  
Vantage Financial Services, Inc.  
Vanden J. Catli

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**REPRESENTATION**

For Claimant: Suzanne Harris, Esq. of Durkin & Durkin.

For Respondents Vantage Financial Services, Inc. and Vantage Securities, Inc.:  
Martin E. Karlinsky, Esq. of Camhy Karlinsky & Stein.

Respondent Vanden J. Catli did not attend the hearing.

**CASE INFORMATION**

Statement of Claim filed: October 9, 1992.

Claimant's Submission Agreement signed on: November 24, 1992.

Joint Statement of Answer filed by Respondents, Vantage Financial Services, Inc.  
and Vantage Securities, Inc. on: February 16, 1993.

Respondent, Vantage Financial Securities' Submission Agreement signed on:  
February 19, 1993.

Respondent, Vantage Securities, Inc.'s Submission Agreement signed on:  
February 19, 1993.

Respondent Vanden J. Catli failed to file a Statement of Answer or sign a  
Submission Agreement as required pursuant to Section 25 of the Code of  
Arbitration Procedure.

## **HEARING INFORMATION**

Hearing Dates/Sessions: January 27, 1994/Two sessions

Hearing Location: NASD offices located in New York City.

## **CASE SUMMARY**

Claimant alleges that he opened an account with Respondent Vantage Financial Services and/or Vantage Securities, Inc. (collectively referred to as "Vantage") and that he permitted Respondent Vanden J. Catli ("Catli") to handle his account. Claimant further alleges that Respondent Catli convinced him to retain Pan Am Bonds by falsely advising Claimant that the value of the bonds was greater than that reflected by Claimant's statement, causing Claimant to lose the entire value of the bonds, \$10,965. Claimant further alleges that Respondent Catli made an unauthorized purchase of Bio Med warrants and sold them at \$2.1875 per warrant even though Claimant authorized Respondent Catli to sell them at \$2.75. Claimant further alleges that Respondent Catli made several unauthorized purchases of Embrex stocks and warrants, sold them at a loss and falsely told Claimant that there would be no loss charged to him and that the losses reported to Claimant's account were a computer error, which would be corrected. Claimant further alleges that Respondent Catli made an unauthorized sale of Drug Screening Stock, at a loss of \$2,700, and falsely told Claimant that the confirmation slip was a computer error. Claimant further alleges that the confirmation slip did not reflect the commission charged and that Respondent Catli falsely told Claimant that the charge would be \$200 or less per transaction.

Claimant alleges that Respondent Catli and Vantage are liable for fraud and violations of the obligation of good faith and fair dealing. Claimant further alleges that Respondent Vantage is liable for its negligent hiring of Respondent Catli, for Respondent Catli's failure to abide by the contract and, in any event, that Respondent Catli's fraudulent conduct is imputable to Vantage.

Claimant alleges that he is entitled to attorneys' fees pursuant to federal and state common law. Claimant further alleges that he is entitled to interest at the rate of 9% per annum pursuant to Sections 5001 and 5004 of the Civil Practice Law and Rules. Claimant also alleges that he is entitled to punitive damages pursuant to the Federal Arbitration Act.

Respondent Vantage denies that it aided or abetted Respondent Catli's wrongdoing, that it in any manner participated in any wrongdoing, that it failed properly to supervise Respondent Catli or otherwise breached its supervisory responsibilities, or, as an alleged control person, that it had the ability and opportunity to prevent the conduct alleged as against Respondent Catli. Respondent Vantage maintains that there is no basis for any award against it.

### **RELIEF REQUESTED**

Claimant requests an award of damages in the amount of \$60,370, plus interest, costs, attorneys' fees and punitive damages.

Respondents Vantage Financial Securities, Inc. and Vantage Securities, Inc. request that the Claim be dismissed as to them in its entirety.

### **OTHER ISSUES CONSIDERED & DECIDED**

The Panel made the following rulings with regard to Respondent Vanden J. Catli:

In accordance with Section 1 and Section 8 of the Code, the Panel ruled that it had jurisdiction over Respondent Catli;

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

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

The Panel was informed that Claimant entered into a settlement agreement with Respondents Vantage Financial Services, Inc. and Vantage Securities, Inc.

### **AWARD**

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

- a) Respondent Vanden J. Catli is hereby liable and shall pay to Claimant the sum of \$21,301.97.
- b) The Claimant's claim for interest is denied.
- c) The Claimant's claim for punitive damages is denied.
- d) Each party shall bear their respective costs, including attorneys' fees.
- e) Respondents Vantage Securities, Inc., Vantage Financial Services, Inc. and Vanden J. Catli shall pay to Claimant the sum of \$650 to reimburse him for the fees deposited with the NASD.

### OTHER COSTS

Pursuant to Section 30 of the Code of Arbitration Procedure, the Panel waived the fee of \$500 for the adjournment granted to Respondent Vantage.

Pursuant to Section 30 of the Code of Arbitration Procedure, the Panel assessed a \$1,000 fee against Claimant for the adjournment granted to him.

### FORUM FEES

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

\$1,000 (2 sessions X \$500) minus \$1,000 (Claimant's hearing session deposit of \$500 plus Respondents' deposit of \$500) = net 0 due.

Concurring Arbitrators' Signatures

Name

Public/Industry

  
Norris D. Wolff, Esq.

Name

Public/Industry

  
Joan Stearns-Johnson, Esq.

Name

Public/Industry

  
William C. Mallery, Esq.

Date of Decision: March 23, 1994

Award #92-03456

STATE OF: *North Carolina*

COUNTY OF: *Halifax*

SS:

On this *4* day of *March*, 1994, before me personally appeared Norris D. Wolff, Esq. 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.

*Jimmy S. Dickens*  
*11-4-96*

STATE OF: *New York*

COUNTY OF: *New York*

SS:

On this *16<sup>th</sup>* day of *March*, 1994, before me personally appeared Joan Stearns-Johnson, Esq. 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.

*Maria Campese*

MARIA A. CAMPESE  
Notary Public, State of New York  
No. 62-4988360  
Qualified in Suffolk County *94*  
Commission Expires April 16, 19*94*

STATE OF:

SS:

COUNTY OF:

On this *18<sup>th</sup>* day of *MARCH*, 1994, before me personally appeared William C. Mallery, Esq. known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that the executed the same.

*David S. M...*

DAVID S. M...  
NOTARY PUBLIC, State of New York  
No. 03-4616753  
Qualified in Bronx County *94*  
Commission Expires October 31, 19*94*