

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Joseph J. Hanus, Trustee, F.B.O. Joseph J. Hanus U.D.T.

92-04069

Name of Respondents

Eric S. Finkel
William A. Maddox, III
Bob J. Baran
Bachus & Stratton Securities, Inc.

REPRESENTATION

For Claimant, Joseph J. Hanus, Trustee, F.B.O. Joseph J. Hanus U.D.T. ("Hanus"): pro se.

For Respondents, Eric S. Finkel ("Finkel"): pro se; William A. Maddox, III ("Maddox"): Burton W. Wiand, Esq. of Fowler, White, Gillen, Boggs, Villareal and Banker, P.A.; Bob J. Baran ("Baran"): pro se; and, Bachus & Stratton Securities, Inc. ("Bachus & Stratton"): Jeffrey A. Cohen, Esq.

CASE INFORMATION

Statement of Claim filed on December 1, 1992. Claimant's Submission Agreement signed on November 20, 1992.

Statement of Answer filed by Respondent, Maddox on February 1, 1993. Respondent, Maddox's Submission Agreement signed on January 29, 1993.

Respondents, Bachus & Stratton, Baran and Finkel, did not file Statements of Answer or sign Submission Agreements as required by Sections 12 and 25 of the Code (see Other Issues).

HEARING INFORMATION

On August 23, 1993, in Tampa, Florida, a hearing lasting two (2) sessions were conducted.

CASE SUMMARY

Claimant alleged that Respondents, Baran and Finkel recommended and purchased unsuitable investments for Claimant's brokerage account; and that Respondent Bachus & Stratton and Addison Financial, condoned and assisted Respondents Baran and Finkel until Claimant called this conduct to the attention of Respondent Maddox, President of Addison Financial.

Respondent, Maddox, denied all allegations of wrongdoing and alleged that Claimant is a knowledgeable and sophisticated investor; that all transactions in the account were approved by Claimant; that the transactions reflected Claimant's desired investment strategy; and that Respondents' actions were at all times in accordance with the rules and regulations of the NASD.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$93,209.17.

Respondent, Maddox, requested dismissal of the Claim.

OTHER ISSUES CONSIDERED & DECIDED

1. Jurisdiction exists pursuant to Section 12 of the NASD Code of Arbitration Procedure and pursuant to the form U-4 executed by Baran and Finkel. Therefore, this Panel finds that Bachus & Stratton and Baran and Finkel were required to sign Submission Agreements and that they were required to file Statements of Answer pursuant to Section 25 of the NASD Code of Arbitration Procedure; Bachus & Stratton being an NASD member firm and Baran and Finkel being persons associated with an NASD member firm at the time this controversy arose.
2. The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

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:

1. Respondents, Finkel, Maddox, Baran, Bachus and Stratton are found not liable and, therefore, all claims against them are hereby dismissed.

OTHER COSTS

The parties shall each bear all costs and expenses incurred by them in connection with this proceeding including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$1,000 (2 sessions x \$500).

1. Claimant is hereby assessed \$500.00 for which the NASD shall retain the \$500 previously deposited in full satisfaction thereof.
2. Respondents, Finkel, Baran and Bachus & Stratton, are hereby assessed \$500.00, jointly and severally, payable to the National Association of Securities Dealers, Inc.
3. The NASD shall retain the non-refundable filing fee of \$150.00 paid by the Claimant.

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

Concurring Arbitrators' Signatures

_____/s/
James R. Kennedy, Jr., Esq.

Public/Chair

_____/s/
Edward J. Adrian

Public/Panelist

_____/s/
Joseph D. Valenti

Industry/Panelist

Date of Decision: October 12, 1993