

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Onita A. Maison-Luisi & James V. Luisi

92-04273

Name of Respondents

Jack White & Co. Inc.
Robert O. Reed

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 22, 1992, Claimants Onita A. Maison-Luisi & James V. Luisi, who appeared Pro Se, alleged that Respondent Jack White & Co., Inc. made an error in their customer account when it sold shares of Audre Recognition Systems, Inc. stock domestically, which were restricted under Rule 144 and were only to be sold in Canada. The Claimants further alleged that the Respondents attempted to charge their account for the trading loss they incurred when buying back the stock, and that when the Respondents realized they could not bully them into paying for the firm's error, the firm filed a small claims action against them, fired Claimant Onita Maison-Luisi, and filled out a U-5 form saying she was under internal review for wrongful activity. The Claimants contended that due to the information put on the U-5, Claimant Onita Maison-Luisi has been unable to regain employment, and that therefore the Respondents should help them to erase this U-5 statement and provide a disclaimer regarding the above matter.

Respondents Jack White & Co., Inc. and Robert O. Reed, through their counsel, Earl Ligon, Esq. of the firm Carlo, Coppo & Associates, San Diego, CA, maintained that the issue of the U-5 form was decided in a judicial court action and the Claimants should not be allowed to pursue duplicate litigation, and that this matter should be dismissed because the NASD Code of Arbitration prohibits Claimants from bringing forth a Judicial proceeding which touches upon the same matter referred to in the arbitration. The Respondents further maintained that since the accurateness and truthfulness of the U-5 was found through the San Diego Superior Court, the principles of Res Judicata and collateral Estoppel do not allow the Claimants to now assert these issues in arbitration and ask for a different finding.

RELIEF REQUESTED

Claimants Onita A. Maison-Luisi and James V. Luisi requested that the U-5 statement made by the Respondents be expunged from the record, and that the Respondents provide a disclaimer statement holding them harmless and free of any fraudulent acts and any other claims in this matter.

Respondents Jack White & Co., Inc. and Robert O. Reed requested that the claims of the Claimants be dismissed.

AWARD

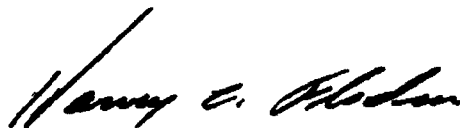
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Harvey C. Flodin, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on December 19, 1992 and by the Respondents on March 2, 1993.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimants Onita A. Maison-Luisi and James V. Luisi against Respondents Jack White & Co., Inc. and Robert O. Reed are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc.

AFFIRMATION

I, HARVEY C. FLODIN, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

A handwritten signature in cursive script, reading "Harvey C. Flodin", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: July 14, 1993