

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

William Brower

93-01148

Name of Respondents

American Bond Group, Inc.

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**REPRESENTATION**

For Claimant: William Brower, appearing *pro se*.

**CASE INFORMATION**

Statement of Claim filed: March 23, 1993.

Claimant's Submission Agreement signed on: March 20, 1993.

Respondent American Bond Group, Inc. failed to file a Statement of Answer and execute a Submission Agreement as required pursuant to Section 25 of the NASD Code of Arbitration Procedure.

**HEARING INFORMATION**

Hearing Date/Sessions: August 3, 1993/2 sessions.

Hearing Location: NASD offices located in New York City.

**CASE SUMMARY**

Claimant alleges that Respondent failed to execute a stop loss order for Fonix stocks and warrants("Fonix"). Claimant also alleges that Respondent charged a 5% mark-down on the sale of Fonix which Claimant alleges was not in accordance with the NASD Rules of Fair Practice, as interpreted by Notice 92-16, because Fonix is not an obscure security, Respondent dominates and controls the market in Fonix and Respondent did not regularly and customarily apply mark-

ups or mark-downs to other transactions, including transactions in Fonic. Claimant also alleges that Respondent ABG unreasonably withheld a portion of the proceeds from the sale of Fonic and failed in their fiduciary duty to manage funds.

Respondents did not file a Statement of Answer.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Correspondences indicating that several attempts were made by the NASD staff to contact American Bond Group, Inc. at the address on the NASD's Central Registration Depository System were read into the record. Pursuant to Section 29 of the Code of Arbitration Procedure, the arbitrator ruled that the arbitration would be held without the Respondent being present.

### **RELIEF REQUESTED**

Claimant requests an award for damages in the amounts of \$6,250, \$3,200 and \$69.52 plus costs and expenses in the amounts of \$46.49, \$156.00 and \$275.00.

### **AWARD**

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

- 1) Respondent, American Bond Group, Inc. is hereby liable and shall pay to Claimant, William Brower an award for damages in the amount of \$9,519.52.
- 2) Respondent, American Bond Group, Inc. is hereby liable and shall pay to Claimant, William Brower an award for costs in the amount of \$477.49, representing cost and expenses.
- 3) Respondent shall pay all forum fees.

### **FORUM FEES**

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

2 sessions X \$200 = \$400 non-refundable filing fee of \$75.00.

- 1) Respondent shall pay the NASD the sum of \$475.00.
- 2) The Respondents shall satisfy this amount by paying the NASD the sum of \$200.00 and reimbursing the Claimant in the amount \$275.00.

Forum fees Assessed Against: Respondent American Bond Group, Inc.

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

Concurring Arbitrators' Signatures  
Name

Public/Industry

Michael E. Curan, Esq.

Public