

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

First of America-Security et al.

93-01228

Name of Respondents

First of Michigan Corporation
Sam J. Galanis

REPRESENTATION

For Claimant: Marc E. Thomas, Esq. of Bendure & Thomas

For Respondent: Michael P. Coakley, Esq. of Miller Canfield, Paddock and Stone

CASE INFORMATION

Statement of Claim filed: March 26, 1993

Claimant's Submission Agreement signed on: May 4, 1993

Statement of Answer filed by Respondent, First of Michigan et al on: July 23, 1993

HEARING INFORMATION

Hearing Dates/Sessions: January 26, 1994 & February 3, 1994

Hearing Location: American Arbitration Association Offices, 16th Floor, One Towne Square, Southfield, Michigan 48076

CASE SUMMARY

Claimants alleged that the Nu-Cast Step and Supply Company possessed a Pension Plan and a Company Profit Sharing Plan. These plans had been managed by the brokerage firm of First of Michigan (FOM) Corporation through Sam J. Galanis, a broker with this firm. On July 22, 1992, a letter was sent by Guilio Ledda, as Plan Administrator terminating FOM and transferring managerial duties and assets to the claimant. The assets of these plans were liquidated by FOM. the claimants, first, deny any authorization to liquidate was given, second, that there was a violation of a fiduciary obligation, third, that fraud was committed, fourth, negligence was committed plus violations of applicable federal and state statutes.

Respondents reply that on the date the letter of July 27, 1992 was received, Sam Galanis telephoned Mr. Guido Ledda. Later the same day, a telephone call was received by Galanis from Leo O'Connel who approved liquidation of the assets in these accounts. Acting upon the authorization of O'Connel, the sale of the assets did occur. The cash received was duly transferred to the claimant less the commission charges.

RELIEF REQUESTED

Claimants request damages totaling \$12,381.36 plus costs, an attorney fee and exemplary damages totaling \$34,016.72.

Respondents deny any damages arising from the claims of the claimants. they request an award of their costs plus a reasonable attorney fee.

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:

The claims of the claimants for any damages is denied. Each party shall be liable for their own costs incurred in this arbitration.

Each party shall pay for half the cost of the forum fees for this arbitration.

Each party shall be liable for their own attorney fees incurred in this arbitration.

FORUM FEES

Pursuant to Section 43c/44c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

Non-refundable filing fee: \$100.00

Hearing session: \$400.00 x 4 sessions = \$1,600.00
Total \$1,700.00

1. Claimants shall pay the NASD the sum of \$850.00. This amount shall be offset by the \$500.00 already paid to the NASD.
2. Respondents shall jointly and severally pay the NASD the sum of \$850.00. This amount shall be satisfied by paying \$850.00 to the NASD.

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

Concurring Arbitrators' Signatures

Name

Public/Industry

Donald A. Edwards
Donald A. Edwards, Esq.

Date of Signature: .

February 25, 1994

NASD Date of Decision: June 28, 1994

FORUM FEES

Pursuant to Section 43c/44c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

Non-refundable filing fee: \$100.00

Hearing session: \$400.00 x 4 sessions = \$1,600.00
Total \$1,700.00

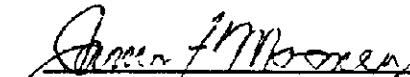
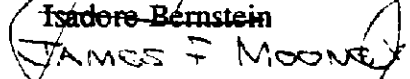
1. Claimants shall pay the NASD the sum of \$850.00. This amount shall be offset by the \$500.00 already paid to the NASD.
2. Respondents shall jointly and severally pay the NASD the sum of \$850.00. This amount shall be satisfied by paying \$850.00 to the NASD.

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

Concurring Arbitrators' Signatures

Name

Public/Industry


~~Isadore Bernstein~~

JAMES F. MOONEY

NASD Date of Decision: June 28, 1994