

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Dominick and Dolores DiNapoli

93-01347

Name of Respondent

American Bond Group, Inc.

REPRESENTATION

Claimants, Dominick and Dolores DiNapoli, appeared pro se.

Respondent, American Bond Group, Inc., did not appear.

CASE INFORMATION

Statement of Claim filed: March 31, 1993.

Claimant's Submission Agreement signed on: April 2, 1993.

Respondent, American Bond Group, Inc., did not file an Answer or Submission Agreement as required by the NASD Code of Arbitration Procedure.

HEARING INFORMATION

Hearing Date/Sessions: January 17, 1994 - 2 sessions

Hearing Location: NASD offices located in New York, New York

CASE SUMMARY

Claimants, Dominick and Dolores DiNapoli, alleged that on January 4, 1993 they called Respondent to sell 1,400 shares of Fonic, Inc. and 490 warrants of Fonic and at that time Claimants had 2,400 shares of Fonic common and 490 warrants per their December 31, 1992 statement. Claimants alleged that their account executive, James Monteleone, was not in and they gave the sell order to

Julie Laurio, who told Claimants that they can get \$12.35 net per share for the common and \$21.85 net each for the warrants. Claimants contended that they agreed to the prices and Ms. Laurio put through the sell orders while they were on the phone and then she confirmed to them that the orders went through with a settlement date of January 11. Claimants alleged that by that time they did not receive any confirmation nor the proceeds. Claimants contended that they called Respondent numerous times and finally on January 19th, Mr. Monteleone's secretary faxed Claimants copies of the broker's sales tickets showing the trades. Claimants alleged Respondent explained there was a mixup with their clearing agent, Reynolds Kendrick Stratton, who canceled all the trades on Fonix on January 4, 1993. Claimants alleged that because of this they suffered a loss in their account.

RELIEF REQUESTED

Claimants requested: \$10,236.99 in compensatory damages plus \$10,000 in punitive damages.

OTHER ISSUES CONSIDERED & DECIDED

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 original remain on file with the NASD.

The arbitration panel made the following rulings with regard to the Respondent:

In accordance with Section 1 of the Code, the panel ruled that it had jurisdiction over the Respondent;

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

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

AWARD

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

(1) Respondent, American Bond Group, Inc., be and hereby is liable and shall pay Claimants, Dominick and Dolores DiNapoli, the sum of \$9,544.

(2) Respondent, American Bond Group, Inc., be and hereby is liable and shall pay Claimants the sum of \$500 to represent filing fees.

FORUM FEES

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

2 sessions x \$400 = \$800 less \$400 hearing session deposit = \$400 net due

Respondent be and hereby is liable and shall pay to the NASD the sum of \$400 to represent forum fees.

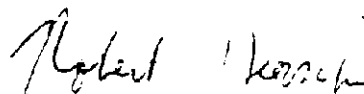
The NASD shall retain the \$100 filing fee and \$400 hearing session previously deposited by Claimants.

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

Concurring Arbitrator's Signature

Name

Public/Industry


Robert D. Herschmann, Esq.

Public Arbitrator

NASD Date of Decision: February 22, 1994

STATE OF: New York
COUNTY OF: New York

S.S.:

On this 15 day of February, 1994, before me personally appeared Robert D. Herschmann, 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.

Notary Public

MARK O. GLUT
Notary Public, State of New York
No. 4995193
Qualified in Queens County
Commission Expires April 20, 1996

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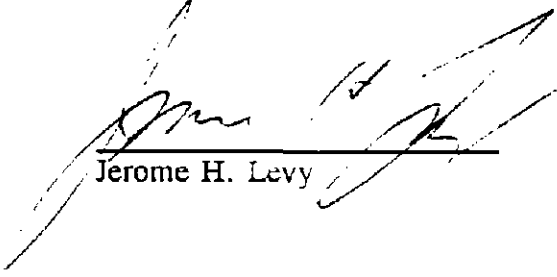
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Concurring Arbitrator's Signature

Name

Public/Industry


Jerome H. Levy

Industry Arbitrator

NASD Date of Decision: February 22, 1994

STATE OF: New York
COUNTY OF: New York

S.S.:

On this 14th day of February, 1994, before me personally appeared Jerome H. Levy 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.

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MARK O. GLUT
Notary Public, State of New York
No. 4985183
Qualified in Queens County
Commission Expires April 20, 1996

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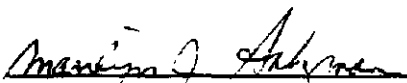
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Concurring Arbitrator's Signature

Name

Public/Industry


Marilyn J. Salzman, Esq.

Public Arbitrator

NASD Date of Decision: February 22, 1994