

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Jeff A. Catanzarite

93-01587

Name of Respondents

A.G. Edwards & Sons, Inc.

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**REPRESENTATION**

Claimant Jeff A. Catanzarite ("Claimant") was represented by: V. Scott Macom, Attorney at Law.

Respondent A.G. Edwards & Sons, Inc. ("Respondent") was represented by: Clay L. Grumke, Litigation Counsel for A.G. Edwards & Sons, Inc.

**CASE INFORMATION**

Statement of Claim filed on: May 3, 1993.

Claimant's Submission Agreement signed on: April 29, 1993.

Statement of Answer filed by Respondent on: June 14, 1993.

Respondent's Submission Agreement signed on: June 8, 1993.

**HEARING INFORMATION**

Hearing Date/Sessions: November 2, 1993, 2 sessions

Hearing Location: NASD, Inc., Cleveland, Ohio.

**CASE SUMMARY**

Claimant alleged that Respondent, through its agent, Ted Major ("Major"), executed a series of unauthorized options contracts. Claimant alleged that after

the first unauthorized transaction, Major promised he would refrain from unauthorized trading. Claimant alleged Major placed additional unauthorized option trades in his account. Claimant alleged that Respondent failed to supervise its agent as well as his account. Claimant alleged that Respondent failed to take corrective action although Claimant did complain to Respondent about the problems with Major's handling of Claimant's account.

Respondent denied each and every allegation asserted by Claimant. Respondent maintained that Claimant received a confirmation slip for each transaction as well as monthly account statements. Respondent maintained that Claimant waited over one year to complain about any unauthorized trades. Respondent maintained that Claimant made no complaints to Respondent until Major had left its employment. Respondent maintained it properly supervised Major. Respondent maintained that at all times based on reasonable grounds it believed that Major properly handled Claimant's account and did not violate any securities laws. Respondent maintained that Claimant failed to complain promptly or to mitigate his damages. Respondent maintained that Claimant failed to exercise reasonable care over his account. Respondent maintained that Claimant's claim is barred by the Supreme Court's ruling in the Lampf decision. Respondent asserted a counterclaim for reasonable attorney's fees.

#### **RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$29,405.26 plus interest at the rate of 10% per annum from the date of loss, reasonable attorney's fees and costs.

Respondent requested that all claims of Claimant be dismissed in its entirety and that it be awarded attorney's fees.

#### **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 originals remain on file with the NASD.

#### **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. That Claimant's claim is denied in its entirety.
2. That Respondent's claim for attorney's fees in its entirety is denied. *W. denied*
3. The parties shall bear their respective costs and expenses except as specifically provided herein. *OK*

### **FORUM FEES**

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

2 hearing sessions x \$400 = \$800

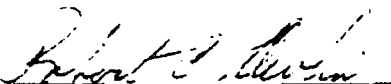
That Claimant shall be assessed the hearing session fees conducted in this matter in the amount of \$800. Claimant is entitled to offset this fee with his previously filed hearing session deposit of \$400 so that the amount due is \$400.

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

#### **Concurring Arbitrators' Signatures**

Name

Public/Industry

  
Robert C. Devlin, Esq.

Public Arbitrator

  
David A. Rodriguez

Industry Arbitrator

  
Robert E. Bingham, Esq.

Public Arbitrator

Date of Decision: November 2, 1993