

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimants

Gregory Buda

93-03004

Name of Respondents

Barrett Day Securities, Inc.
Joseph Capolino, Jr.

REPRESENTATION

For Claimant Gregory Buda ("Buda") appeared Alan Zoccolillo of John Jay Legal Services, Inc.

Respondent Barrett Day Securities, Inc. ("Barrett Day") filed for bankruptcy, and, therefore, all claims were stayed against Barrett Day.

Respondent Joseph Capolino, Jr. ("Capolino") did not enter an appearance in this matter.

CASE INFORMATION

Claimants' Statement of Claim was filed on July 29, 1993. Claimants' Submission Agreement was signed on July 29, 1993.

Barrett Day's Statement of Answer was filed on December 31, 1993. Barrett Day's Submission Agreement was signed on January 31, 1994.

Capolino did not file a Statement of Answer or a Submission Agreement.

HEARING INFORMATION

Hearing Dates/Sessions: September 8, 1998 - One Session

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that, on August 2, 1990, Capolino, recommended that he purchase common stock in Richfield Distributors, Inc. ("Richfield"). Claimant further alleged that Capolino misrepresented several facts concerning Richfield and that, based on these misrepresentations, he purchased \$44,375.00 worth of Richfield's common stock. Claimant also alleged that Capolino and Barrett recommended the purchase of Bridal Expo, Inc. ("Bridal") common stock and that, based on misrepresentations made by Capolino, he purchased \$5,000.00 of Bridal common stock. Claimant asserted that he was an unsophisticated investor and that Capolino failed to inquire about his sophistication regarding investments and failed to warn him about the inherent risks in the purchase of these stocks.

Barrett denied the allegations of wrongdoing in the Statement of Claim. Barrett maintained that Capolino's last day of employment at Barrett was July 18, 1990 and that the transactions in questions did not occur within the course of Capolino's employment with Barrett.

RELIEF REQUESTED

Claimants requested an award of \$44,375.00 on the First Claim and \$3,750.00 on the Second Claim together with interest thereon, attorneys' fees, costs, and disbursements.

Barrett requested that the claims as against it be dismissed in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

Claimant, the only party to appear at the hearing in this matter, 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, Claimant has agreed to receive conformed copies of the Award while the original remains on file with the NASD.

The panel made the following determinations concerning Capolino who did not file a Statement of Answer or a Submission Agreement and did not appear at the hearing in this matter:

1. Pursuant to Rule 10101 of the Code of Arbitration Procedure (the "Code"), the arbitrators found subject matter jurisdiction over this entire controversy.
2. The panel found that Capolino was a person associated with member of the NASD at the time this controversy arose. Accordingly, the panel found personal jurisdiction over Capolino pursuant to Rule 10301 of the Code.
3. The panel found that Capolino was required to file a Statement of Answer and Submission Agreement with NASD Regulation pursuant to Rule 10314(b) of the Code. In this regard, the panel found that the Statement of Claim was properly served upon Capolino pursuant to Rule 10314 (a) of the Code.
4. In addition, in accordance with Rules 10310, 10315 and 10318 of the Code, the

panel found that NASD Regulation provided Capolino with "due notice" of the hearings conducted in this matter by regular and certified mail. The panel further determined to proceed with the hearing without Capolino whose absence was unexcused.

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 Capolino is liable and shall pay to Claimant the sum of \$49,375.00, plus interest at the rate of 9% per annum from July 29, 1993 until payment.
2. The parties shall bear their own costs, including attorneys' fees, except that Capolino is liable and shall pay to Claimant the sum of \$400.00 to reimburse Claimant for the hearing session deposit paid to NASD Regulation, Inc.
3. All other claims are denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation will retain the \$120.00 non-refundable filing fee paid by Claimant and have assessed the following forum fees:

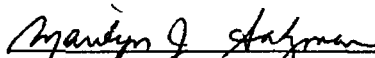
1 hearing session x \$400.00

Respondent Capolino is hereby liable for the sum of \$400.00, representing the total forum fees assessed. Claimant previously deposited \$400.00 with NASD Regulation, Inc., and, therefore, Respondent Capolino shall reimburse Claimant \$400.00 as provided in the "Award" section above.

ARBITRATION PANEL

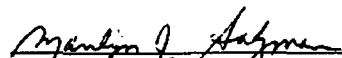
Marilyn J. Salzman, Esq.-Public Chairperson
Herbert Siegel, Esq.-Public Arbitrator
Robert A. Vaccaro-Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE


Marilyn J. Salzman, Esq.
Chairperson-Public/Industry Arbitrator

Date of decision: November 20, 1998

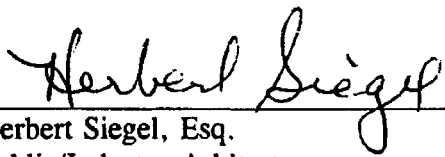
I, Marilyn J. Salzman, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Marilyn J. Salzman, Esq.

ARBITRATION PANEL

Marilyn J. Salzman, Esq.-Public Chairperson
Herbert Siegel, Esq.-Public Arbitrator
Robert A. Vaccaro- Industry Arbitrator

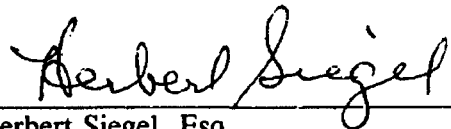
CONCURRING ARBITRATOR'S SIGNATURE

A handwritten signature in cursive script, reading "Herbert Siegel", written over a horizontal line.

Herbert Siegel, Esq.
Public/Industry Arbitrator

Date of decision: November 20, 1998

I, **Herbert Siegel, Esq.**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

A handwritten signature in cursive script, reading "Herbert Siegel", written over a horizontal line.

Herbert Siegel, Esq.

ARBITRATION PANEL

Marilyn J. Salzman, Esq.-Public Chairperson
Herbert Siegel, Esq.-Public Arbitrator
Robert A. Vaccaro-Industry Arbitrator

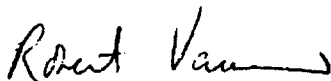
CONCURRING ARBITRATOR'S SIGNATURE



Robert A. Vaccaro
Industry Arbitrator

Date of decision: November 20, 1998

I, **Robert A. Vaccaro**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Robert A. Vaccaro