

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Patricia Anjesky
Susan Anjesky
David Mayer & Sean Hayes

vs.

Award #
93-05355

Name of Respondents

Dunhill Equities, Inc.
Carlo D'Alelio
Joseph G. Chiulli

REPRESENTATION

For Claimants, Patricia Anjesky, Susan Anjesky, David Mayer and Sean Hayes ("Claimants"), Stephen M. Perry, Esq., from the law firm of Casner & Edwards, located in Boston, Massachusetts.

For Respondents, Dunhill Equities, Inc., ("Dunhill") and Joseph G. Chiulli, ("Chiulli"), Christopher Litterio, Esq., from the law firm of Shapiro, Israel & Weiner, P.C. located in Boston, Massachusetts.

Respondent, Carlo D'Alelio, ("D'Alelio"), was not represented by counsel at the hearing.

CASE INFORMATION

Statement of Claim was filed on December 27, 1993.

Patricia Anjesky's Submission Agreement was signed on November 29, 1993.

Susan Anjesky's Submission Agreement was signed on November 30, 1993.

David Mayer's Submission Agreement was signed on filed December 8, 1993.

Sean Hayes Submission Agreement was signed on December 6, 1993.

Joint Statement of Answer was filed by Respondents, Dunhill and Chiulli on May 9, 1994.

Respondent Dunhill did not execute a Submission Agreement.

Respondent Chiulli's Submission Agreement was signed on April 22, 1994.

Respondent Dunhill and Chiulli deny the allegations that D'Alelio stole money from Claimants and state that Claimants admitted that the checks were written to purchase automobiles as part of a business transaction outside D'Alelio's employment with Dunhill.

RELIEF REQUESTED

Claimants request an award of compensatory damages in the amount of not less than \$60,000, statutory treble damages, trebling the award to not less than \$180,000, interest, attorney's fees, and the costs of this arbitration.

Respondents Dunhill and Chiulli request that the claim be denied.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies and agreed to receive conformed copies of the Award while the original remains on file with the NASD.

Respondent D'Alelio did not appear at the hearing. The NASD staff member has advised the Panel that he contacted the NASD on December 14, 1994 and stated that he was represented by an attorney. However, that attorney informed the NASD on March 6, 1995, that he longer represents D'Alelio.

Based upon the above and the NASD file concerning notice sent to the parties, this Panel finds that Respondent D'Alelio was served and proceeded with the hearing in his absence pursuant to Sections 25 and 29 of the *Code of Arbitration Procedure*.

Claimant moved to preclude Respondent's Dunhill and Chiulli Answer which was opposed by said Respondents. This panel denied the Motion.

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:

In recognition of the differing bases of the claims of each of the Claimants, and subject to whatever adjustments the Claimants chose to make amongst themselves, the awards are set forth below:

1. Respondents Dunhill and D'Alelio are jointly and severally liable to Claimants Mayer

Respondent D'Alelio did not file a Statement of Answer or execute a Submission Agreement.

HEARING INFORMATION

Hearing Dates/Sessions:	March 2, 1995	-	2 sessions
	March 3, 1995	-	2 sessions
	April 24, 1995	-	2 sessions

Hearing Location: American Arbitration Association, located at 133 Federal Street, Boston, Massachusetts.

CASE SUMMARY

In a five count Statement of Claim, Claimants allege that Respondents violated the Racketeer Influenced Corrupt Organizations Act (RICO), 18 U.S.C. Sections 1961, et seq., committed common law fraud and conversion, sold personal property by deceit, violated M.G.L. c 110A, Section 1201, and Rule 10b-5 and Massachusetts Blue Sky Law.

Claimants allege that they informed D'Alelio that their investment objectives were conservative. that D'Alelio recommended and executed purchases for their accounts which were unsuitable. and that he did so for the purpose of generating commissions for himself and Dunhill. Claimants also allege that D'Alelio executed these trades even though he was not registered in Ohio and Massachusetts in violation of the Blue Sky Laws. Claimants further allege that D'Alelio caused them to write checks intended for their accounts to him as payee and that he stole fund from them. Claimants also allege that D'Alelio engaged in unauthorized trades.

Claimants maintain that Dunhill was aware of numerous customer complaints against D'Alelio while he was employed by Josephthal Lyon & Ross, Incorporated and that he was the subject of formal disciplinary action by the Florida Securities Division when Dunhill hired D'Alelio and that Dunhill failed to supervise him.

Respondents Dunhill and Chiulli deny the allegations of wrongdoing, deny liability and assert nine affirmative defenses. Said Respondents contend that any losses in Claimants' accounts were the result of market conditions and informed decisions made by Claimants. Dunhill also denies that it knew of a history of customer complaints against D'Alelio before he was hired and allege that only two complaints were disclosed and D'Alelio disputed one which was the subject of a pending arbitration. Respondents Dunhill and Chiulli maintain that they made a timely application to transfer D'Alelio's license from his prior employer to Dunhill and that it was later approved and transferred.

and Hayes in the amount of **NINE THOUSAND DOLLARS AND ZERO CENTS** (\$9,000.00), and to Claimant Patricia Anjesky in the amount of **TWENTY EIGHT THOUSAND DOLLARS AND ZERO CENTS** (\$28,000.00).

2. Respondents Dunhill, D'Alelio and Chiulli are jointly and severally liable to Claimants Mayer and Hayes in the amount of **FOUR THOUSAND DOLLARS AND ZERO CENTS** (\$4,000.00), to Patricia Anjesky in the amount of **EIGHTEEN THOUSAND DOLLARS AND ZERO CENTS** (\$18,000.00) and to Susan Anjesky in the amount of **EIGHTEEN DOLLARS AND ZERO CENTS** (\$18,000.00).
3. Each award is inclusive of interest and all counsel fees.
4. All forum fees are assessed jointly and severally against Respondents Dunhill, D'Alelio and Chiulli.

FORUM FEES

Pursuant to Section 43(c) of the *Code*, the following Forum Fees are assessed against pursuant to item 4 of the Award.

Non-refundable Filing Fee - \$200.00

Hearing Session Fees - \$4,500.00 (6 hearing sessions @ \$750.00 per session)

Total Fees = \$4,700.00.

1. Claimants previously paid \$950.00 and are entitled to a refund.
2. Respondents Dunhill, D'Alelio and Chiulli are jointly and severally assessed \$4,700.00 and shall satisfy this assessment by reimbursing Claimants \$950.00 and by remitting the balance \$3,750.00 to the NASD.

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

ARBITRATION PANEL

Mark J. Levinson, Esq.	-	Public Chairperson
Stanley H. Labinger	-	Public Panelist
Jeffrey R. Larsen	-	Industry Panelist

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Concurring Arbitrator's Signature

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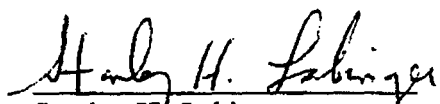
Mark J. Levinson, Esq.

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Concurring Arbitrator's Signature

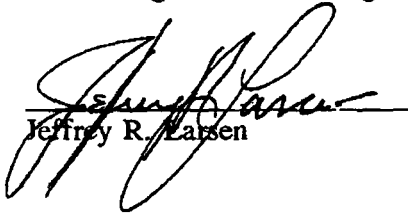

Stanley H. Labinger

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Concurring Arbitrator's Signature


Jeffrey R. Larsen

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