

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Ralph S. Coggovia

93-05388

Name of Respondents

Hibbard Brown & Co., Inc.  
Michael Martone

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 30, 1993, Claimant Ralph S. Coggovia, who appeared Pro Se, alleged that he purchased 1000 shares of First National Realty Associates, Inc. stock ("First National") through Respondent Michael Martone ("Martone"), a broker at Respondent Hibbard Brown & Co., Inc. ("Hibbard Brown"). Claimant further alleged that Respondent Martone used unethical business practices, abused the Securities Act of 1933 and was not honest with him. Claimant contended that Respondent Hibbard Brown used unethical business practices and took unfair advantage of him as a customer/buyer. Claimant further contended that when Respondent Martone sold him the First National stock, he used "high sales pitch talk". Claimant contended that he informed Respondent Martone that he has been a conservative customer/buyer throughout his life. Claimant further contended that Respondent Martone told him to "hang in there" when Claimant would inquire about First National's price fluctuations. Claimant further contended that he received a stock certificate for 1000 shares of First National Realty Associates, Inc. from Respondent Hibbard Brown in May, 1993 without any explanation. Claimant alleged that he asked Respondent Martone why he received the certificate, and Respondent Martone said that First National Realty Associates,

Inc. had filed for bankruptcy. As a result of the above, Claimant contended that he has suffered damages for which the Respondents should be held liable.

Respondents Michael Martone and Hibbard Brown & Co., Inc., through Respondent Hibbard Brown's in-house counsel Steven B. Caruso, Esq., New York, New York, maintained that the Claimant's stated investment objective was to pursue opportunities with a greater degree of risk in pursuit of potentially greater returns. The Respondents further alleged that based on personal and financial data provided by Claimant to Respondent Martone, including but not limited to his age, occupation, social security number, banking references, approximate annual income and net worth, the Claimant was determined to be suitable for equity investments in general and long-term growth situations in particular. Respondents contended that each investment recommendation provided to Claimant was accompanied by a fair and balanced presentation of the investment to be considered. Respondents denied that they did not advise Claimant as to the bankruptcy filing of First National Realty Associates, Inc. until May, 1993. As a result of the above, Respondents maintained that they should not be held liable in this matter.

#### **RELIEF REQUESTED**

Claimant Ralph S. Coggovia requested \$7,000.00 in actual damages.

Respondents Hibbard Brown & Co., Inc. and Michael Martone requested that the Claimant's Statement of Claim be dismissed in its entirety.

#### **AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public arbitrator, Suzanne Hildebrandt, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 17, 1994, by Respondent Hibbard Brown & Co., Inc. on May 6, 1994, and by Respondent Michael Martone on April 26, 1994.


And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimant Ralph S. Coggovia against Respondents Hibbard Brown & Co., Inc. and Michael Martone are dismissed in their entirety.

2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

**AFFIRMATION**

I, **Suzanne Hildebrandt**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
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Signature of Arbitrator

DATE OF DECISION: July 25, 1994