

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

John R. Knight

94-00094

Name of Respondent

John Basarani

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 10, 1994, Claimant John R. Knight, who appeared Pro Se, alleged that Respondent John Basarani, purchased and sold securities for his account without authorization. Claimant further alleged that on September 1, 1993, the Respondent, a representative of Hanover Sterling and Co., Ltd., sold 2000 Lidak Warrants from his account without authorization. Claimant contended that he informed the Respondent that he had no intention of selling the warrants and to cancel any open orders. Claimant further contended that on September 3, 1993, 2000 Lidak Warrants were purchased at \$6.00, on September 14, 1993, 2000 Lidak Warrants were sold at \$4.875, on September 15, 1993, 250 Lidak Class A shares were sold at \$6.5625 and on September 15, 1993, 500 shares of Eagle Vision were sold at \$4.00. Claimant alleged that each of the above transactions were unauthorized. As a result of the above, Claimant alleged that he has suffered a loss for which the Respondent should be held liable.

Respondent John Basarani, who appeared Pro Se, maintained that all transactions, purchases and sales were authorized. Respondent further maintained that Claimant authorized the purchase of Lidak Warrants on two occasions and each time he failed to forward the necessary funds by the settlement date. Respondent contended that this resulted in the liquidation of other holdings to cover the debit balance in the Claimants account. Respondent further contended that the Claimants holdings were insufficient to cover the debit charge of \$2,051.00 and this debit was charged to the Respondent. As a result of the above, Respondent maintained that he should not be held liable.

RELIEF REQUESTED

Claimant John R. Knight, requested \$1,787.50 in actual damages.

Respondent John Basarani, requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Alan J. Fisher, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant John R. Knight, on January 4, 1994 and by the Respondent John Basarani, on July 21, 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 the Claimant John R. Knight, against Respondent John Basarani, are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$ 50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant John R. Knight, shall be retained by the NASD, Inc.

Affirmation

STATE OF ILLINOIS

} SS:

COUNTY OF KANE }

I, ALAN J. FISHER, do hereby affirm upon my oath
as arbitrator that I am the individual described in and who executed this instrument,
which is my oath and award.

Date

Alan J. Fisher
Signature of Arbitrator

Date of Decision: December 1, 1995