

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Zisis Alevras, Christos Alevras et al.

vs.

Case No.
94-00327

Name of Respondents

Chatfield Dean & Co., Inc.
Lawrence Greenberg

REPRESENTATION

For Claimants, Zisis Alevras, Christos Alevras, et al. ("Claimants"), Frank J. Liberty, Esq. from the firm of Greenberg, Parenteau & Geraghty, P.C., located in New London, Connecticut.

For Respondents, Chatfield Dean & Co., Inc., ("Chatfield"), Christa D. Taylor, Esq., in-house counsel, located in Greenwood Village, Colorado.

Respondent, Lawrence Greenberg ("Greenberg"), appeared pro se.

CASE INFORMATION

Statement of Claim was filed on January 26, 1994.

Claimants' Submission Agreement was signed on December 27, 1993.

Chatfield's Statement of Answer and a Motion for Partial Dismissal was filed on March 30, 1994 and Withdrawal of Motion for Partial Dismissal was filed by Chatfield on November 21, 1994.

Chatfield's Submission Agreement was signed on March 14, 1994 and May 23, 1994.

Greenberg did not file a Statement of Answer or execute a Submission Agreement.

HEARING INFORMATION

Hearing Dates/Sessions: June 28, 1995 - 2 sessions
 June 29, 1995 - 2 sessions

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

CASE SUMMARY

Claimants allege that the Respondents Chatfield and Greenberg persistently pushed them to purchase highly speculative stocks with little or no value and which are commonly called "penny" stocks. Claimants allege that the Greenberg pressured him to purchase \$59,000 worth of Microenergy stock and convinced him to liquidate his investment in the John Hancock Mutual Fund to purchase more Microenergy stock. Claimant states that after sixty days he asked Greenberg to return his investment to the mutual fund and Greenberg took the \$60,000 cash and invested them in more speculative stocks, namely, Airship International Limited Healthwatch, Inc. and NTN Canada, Inc.. Claimants further allege that the Respondent opened another account in the name of Angie's Pizza without authorization and during December of 1991, churned the account. Claimant also alleges that Greenberg drafted and executed a guarantee claiming that Greenberg's firm would restore the account to \$100,000 no matter what happened. In June 1992, Claimant allege that he sent a copy of the guaranty to Chatfield seeking the \$100,000 that Greenberg had promised but Chatfield refused to honor it. Claimant allege that they lost \$112,000 as a result of this eight month relationship. Furthermore, Claimants allege that Chatfield overcharged on the purchase of Microenergy stock and that Chatfield made the market for Microenergy stock during this period. Finally, Claimants allege that they were under credited on the sale of Microenergy.

Respondents Chatfield and Greenberg deny the allegation of wrongdoing set forth in the Statement of Claim, they contend that when the purchases for the Angie's Pizza account were not paid for on time and had to be sold out, this resulted in a debut of about \$36,000. Respondents contend that Claimant agreed to make up for the losses by transferring the \$36,000 from this account for the business account. Respondents further contend that they sent the Claimants restitution checks for possible overcharges.

RELIEF REQUESTED

Claimants request an award of \$112,000, plus attorney's fees, interest and punitive damages.

Respondents request that the Statement of Claim be dismissed in all respects.

OTHER ISSUES CONSIDERED & DECIDED

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

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, and post-hearing submissions the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents are jointly and severally liable and shall pay Claimants **Eighty Thousand dollars (\$80,000.00)**.
- 2) Respondents are jointly and severally liable and shall pay Claimants **Twenty-Five Thousand dollars (\$25,000.00)** in attorneys fees.
- 3) Respondents are further liable, jointly and severally, for forum fees as indicated in the Forum Fees section of this decision.
- 4) The claim for interest is denied.
- 5) The claim for punitive damages is denied.

FORUM FEES

Pursuant to Section 43(c) of the *Code of Arbitration Procedure*, the following Forum Fees are assessed against Respondents.

Non-refundable Filing Fee: \$200.00

Hearing Session Fee: \$3,000.00 (4 hearing sessions @ \$750.00 per session)

Total Fees: \$3,200.00

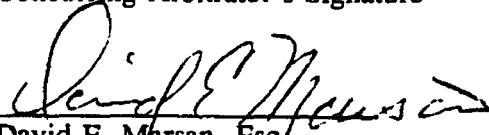
1. Respondent Chatfield is further assessed and has paid \$1,500.00 for the postponement of the hearings that were scheduled for January 16 and 17, 1995 and May 9 and 10, 1995.
2. Claimants previously deposited \$950.00 and are entitled to a refund in that amount.
3. Respondents shall satisfy the fees assessed by reimbursing Claimants \$950.00 and by remitting the balance \$2,250.00 to the NASD.

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

ARBITRATION PANEL

David E. Marsan, Esq.	-	Public Chairperson
W. Lawrence McNeil	-	Public Panelist
Richard D. Jordan	-	Industry Panelist

Concurring Arbitrator's Signature


David E. Marsan, Esq.

NASD Date of Decision: September 6, 1995

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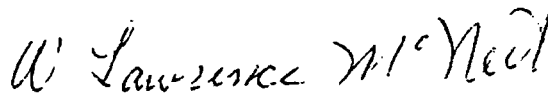
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