

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Gregory C. Nappo

94-00645

Name of Respondent(s)

Suppes Securities, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 18, 1994, Claimant Gregory C. Nappo, who appeared Pro Se, alleged that Respondent Suppes Securities, Inc. withdrew \$400 from his paycheck in February 1993 for family health insurance which was supposed to commence on March 1, 1993. The claimant further alleged that in March 1993 a second payment was withdrawn for the April 1993 payment. The claimant contended that after the second payment was withdrawn, he realized that respondent had not procured an insurance policy. Claimant furthermore contended that at the end of March 1993 his son was hospitalized, resulting in medical bills of \$4762.53. The claimant alleged that respondent withdrew \$1200 from his check before procuring an insurance policy which commenced in June 1993 and that respondent should have appropriated his money properly. Claimant further alleged that respondent represented that the health insurance would become effective starting on January 1, 1993 and then moved this date to the beginning of every month until he got insurance on June 1, 1993 only to have it canceled on July 1, 1993 for non-payment.

Respondent, Suppes Securities Inc., through their representative, Edward F. Duffy, Esq., New York, NY, maintained that there was no agreement by which it was to retain an insurance policy covering the claimant the month after his first payment. Respondent further maintained that while it withheld funds beginning in March 1993, such funds were withheld in anticipation that the coverage would

be granted and not based upon the existence of coverage. Respondent contended that claimant did not complete and execute an application for insurance coverage until March 31, 1993 and it would have been unreasonable and illogical for claimant to believe he was covered prior to this date. Respondent further contended that medical coverage became effective on June 1, 1993 and that prior to this date it did not make any representation to employees that it was in effect. Respondent maintained that commission credits in September 1993 and December 1993 of \$498 and \$458, respectively, were provided to claimant by respondent in order to reimburse him for amounts which had been withheld for the payment of insurance premiums but which proved unnecessary.

RELIEF REQUESTED

Claimant, Gregory C. Nappo, requested: \$5337.53 in actual damages.

Respondent, Suppes Securities, Inc., requested: that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Paul M. Rosenthal, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant on February 15, 1994 and by respondents on April 28, 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. Respondent Suppes Securities, Inc. is liable and shall pay to claimant Gregory C. Nappo \$1341.43 in actual damages.
2. The parties shall bear their respective costs.
3. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant(s) Gregory C. Nappo, shall be retained by the NASD, Inc. Respondent Suppes Securities, Inc. is liable and shall pay \$575.00 to the Claimant as reimbursement of the filing fee.

AFFIRMATION

I, David M. Rosenthal, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION:

12/6/94

DATED BY THE NASD, INC.:

December 6, 1994