

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimant

Aegis Capital Corp.

94-01593

Name of Respondent

Ross A. Freitas

---

**REPRESENTATION**

For Claimant, Aegis Capital Corp. ("Aegis"): Michael J. Deutsch, Esq., Coconut Grove, Florida.

For Respondent, Ross A. Freitas: Pro Se.

**CASE INFORMATION**

Statement of Claim filed: April 28, 1994.

Claimant's Submission Agreement signed on: April 24, 1994 by Malcolm Basner.

No Statement of Answer was filed by Respondent and Respondent did not file a Submission Agreement as required by Section 12 and 25 of the Code (see "Other Issues").

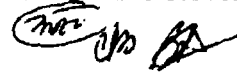
**HEARING INFORMATION**

On February 16, 1995 in Fort Lauderdale, Florida, a hearing lasting 1 session was conducted.

**CASE SUMMARY**

Claimant claims that in June, 1992 certain margin calls were not met by Respondent on his account with Aegis. As a consequence significant losses resulted to Aegis. As a result of these losses Claimant brought an action against Respondent in the Supreme Court of New York.

To settle the dispute, Aegis and Freitas entered into a settlement agreement on October 31, 1992. The terms of the settlement agreement required Freitas to pay to Aegis a total sum of \$250,000.00. A balance of \$205,000.00 remains due and owing by Respondent to Claimant. The terms of the settlement agreement delineated an acceleration of all obligations after written notice by Aegis to Freitas. Respondent failed to make any payments due November 10, 1993 or thereafter.



Respondent did not present a case or any defenses and did not appear at the hearing.

### **RELIEF REQUESTED**

Claimant requested damages in the amount of \$205,000.00, plus interest, attorney's fees, and costs.

Respondent did not make any requests for relief.

### **OTHER ISSUES CONSIDERED & DECIDED**

2) Respondent, Freitas did not appear at the hearing. Based upon the evidence submitted in Arbitrator's Exhibit #2 regarding hearing notices to the parties, this arbitration panel found that proper notice existed as well as jurisdiction pursuant to Section 12(a) of the Code of Arbitration Procedure over Respondent, Freitas. Pursuant to Section 29 of the Code of Arbitration Procedure and based upon evidence in Arbitrator's Exhibit #2, this Panel proceeded with the hearing in Freitas' absence.

### **OTHER COSTS**

Other than the forum fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

### **AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1) Respondent, Ross A. Freitas is found liable and shall pay to the Claimant the sum of \$205,000.00 with interest from 2/05/94 to 2/16/95 at 9% in the amount of \$19,058.24 for a total due to Claimant of \$224,058.24.

2) Claimant's request for attorney's fees is denied.

NASD Case Number 94-01593

Award

Page - 3 -

**FORUM FEES**


Pursuant to Section 44(c) of the Code of Arbitration Procedure, the Panel assessed forum fees in the amount of \$750.00 (1 hearing session x \$750.00).

1. Respondent is hereby assessed \$750.00 to be paid directly to Claimant as a refund of the hearing session deposit previously paid by Claimant.
2. The Respondent shall reimburse the Claimant \$500.00 for the non-refundable filing fee previously paid by Claimant.
3. The NASD shall retain the non-refundable filing fee of \$500.00 and the \$750.00 hearing session deposit paid by the Claimant.

Concurring Arbitrators' Signatures

Name

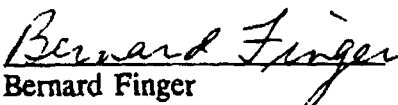
Public/Industry

  
Meah Dell Rothman, Tell, Esq.

Public/Chairperson

  
Camille Besold

Public

  
Bernard Finger

Industry

Date of Decision: 3-28-75