

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Harold Bonin

94-02809

Name of Respondents

Noah Maltz
John Puglisi
James W. Bullard
Vincent D. Cantella

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 19, 1994, Claimant Harold Bonin, who appeared Pro Se, alleged that Respondents James W. Bullard ("Bullard"), John Puglisi ("Puglisi"), Noah Maltz ("Maltz"), and Vincent D. Cantella ("Cantella"), purchased and sold securities for his account without authorization. Claimant further alleged that on February 4, 1994, he purchased 100 shares of Merck & Co., Inc. at \$30 1/8 per share from Respondent Maltz, a representative of J.W. Bullard & Co. Claimant contended that Maltz subsequently left the firm and his account was taken over by Respondent Puglisi. Claimant further contended that on March 3, 1994, 500 shares of EuroAmerican Group Inc., were purchased for his account without authorization at \$6.00, and on March 21, 1994, 100 shares of Merck & Co., Inc. were sold without authorization at \$31 3/4 per share. Claimant alleged that the above referenced trades were cleared through Respondent Cantella's Company, Cantella & Co., Inc. As a result of the above, Claimant alleged that he has suffered a loss for which the Respondents should be held liable.

Respondent Noah Maltz, who appeared Pro Se, maintained that his only involvement in the events leading up to this arbitration was the sale to Claimant of 100 shares of Merck & Co., Inc. Respondent Maltz further maintained that immediately after this sale, control over the Claimant's account was turned over to Respondent Puglisi. Respondent Maltz contended that he had no further contact with Claimant. As a result of the above, Respondent Maltz maintained that he should not be held liable.

Respondent Vincent D. Cantella, through his representative, Jeffrey P. Somers, Esq., of Morse, Barnes-Brown and Pendleton, P.C., maintained that he is a shareholder and registered principal of Cantella & Co., Inc. (the "Firm"). Respondent Cantella further maintained that with respect to the transactions in question, the Firm merely acted as a "clearing broker", which simply executes and/or clears orders submitted to it by an "introducing broker", in this case J.W. Bullard & Co., Inc. Respondent Cantella contended that the Firm has limited or no personal contact with the customers of introducing brokers. As a result of the above, Respondent Cantella maintained that he should not be held liable.

Respondent James W. Bullard did not file an Answer to the Statement of Claim or to the Cross-claim.

Respondent John Puglisi did not file an Answer to the Statement of Claim.

In a Cross-claim, Respondent Vincent D. Cantella alleged that pursuant to the terms of a Clearing Agreement, Respondent Bullard is liable for indemnity for the full amount of any judgement by the Claimant against him.

RELIEF REQUESTED

Claimant Harold Bonin, requested \$3,775.00 in actual damages, \$200.00 for costs and \$1,000.00 in punitive damages.

Respondent Vincent D. Cantella, requested that the claims of the Claimant be dismissed, and that he be indemnified by Respondent James W. Bullard for any award against him, plus costs and attorney's fees.

Respondent Noah Maltz, requested that the claims of the Claimant be dismissed in their entirety.

Respondent James W. Bullard, did not file an Answer to the Statement of Claim.

Respondent John Puglisi, did not file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent James W. Willard, was served by regular mail and given an opportunity to respond, which he failed to do. In addition, notification of the Arbitrator's identity was sent to the Respondent by certified mail and was received as evidenced by the signed return card on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent James W. Bullard, had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent John Puglisi, was served by regular mail and given an opportunity to respond, which he failed to do.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent John Puglisi, had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Ann C. Northern, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Harold Bonin on July 18, 1994, and by the Respondent Noah Maltz, on December 26, 1994, and by Respondent Vincent D. Cantella, on May 4, 1995, and not by Respondents James W. Bullard and John Puglisi, as required by Sections 12 and 13 of the NASD Code of Arbitration Procedure.

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. Respondents James W. Bullard and John Puglisi, are jointly and severally liable and shall pay to the Claimant Harold Bonin, \$3,667.35 in actual damages.
2. The claims of the Claimant Harold Bonin, against Respondent Noah Maltz, are dismissed in their entirety.
3. The claims of the Claimant Harold Bonin, against Respondent Vincent D. Cantella are, dismissed in their entirety.
4. The Cross-claim of Respondent Vincent D. Cantella, against Respondent James W. Bullard, is dismissed in its entirety.
5. The parties shall bear their respective costs.
6. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Harold Bonin, shall be retained by the NASD, Inc. Respondents James W. Bullard and John Puglisi, are jointly and severally liable, and shall pay to the Claimant Harold Bonin, \$125.00 as reimbursement of the filing fee.

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AFFIRMATION

STATE OF new York

SS:

COUNTY OF Kings

I, John C. Northey, do hereby affirm, pursuant to Article 7507 of the Civil Procedure Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

John C. Northey
Signature of Arbitrator

DATE OF DECISION: December 22, 1995