

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Robert Hopp

95-00222

Name of Respondent

Josephthal Lyon & Ross, Inc.

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 2, 1995, and a additional documentary submission filed on May 3, 1995, Claimant Robert Hopp ("Hopp"), who appeared Pro Se, stated that he maintained an account with Respondent Josephthal Lyon & Ross, Inc. ("Josephthal") that was handled by account representative Steve Conrad ("Conrad"). Claimant alleged that in August of 1993, he attempted to notify Conrad that he wanted to cancel his indication of interest for 1,000 units of Casino & Credit Services Corp, Inc. ("Casino"), an initial public offering, that Conrad was out of the office, and that he left a message with Conrad's assistant. Claimant further alleged that on the day of the initial public offering, he again attempted to contact Conrad, and that Conrad's assistant assured Claimant that he was not allotted any Casino units. Claimant contended that he was subsequently informed by Conrad that Josephthal had purchased 1,000 units of Casino for Hopp's account, and that when Claimant objected, Conrad insisted that Claimant had to accept the purchase. Claimant further contended that Conrad contacted Claimant requesting payment for the purchase, and that Claimant refused to be held responsible for the unauthorized purchase. Claimant stated that in September of 1993 he received notice that the position was liquidated leaving a debit balance of \$1,331.80. As a result of the above, Claimant alleged that he has suffered damages for which Respondent should be held liable.

Respondent, Josephthal Lyon & Ross, Inc., through its in-house counsel Robert E. Murphy, Esq., New York, New York, maintained that prior to the August 11, 1993 offering date, Claimant had indicated for 3,000 units of Casino, that Conrad advised Claimant of an adverse news release on Casino, and that Conrad informed Claimant that demand for the offering had reduced Claimant's indication to 1,000 units. Respondent further maintained that on or about

August 13, 1993 Conrad called to advise Claimant that the order had been filled for 1,000 units, and that Claimant refused to pay. Respondent contended that on or about August 18, 1993 Claimant was again contacted and again refused to pay. Respondent further contended that after all extensions expired, the position was liquidated for settlement on September 30, 1993, leaving a debit balance in Claimant's account of \$1,331.80 which remains unpaid. As a result of the above, Respondent contended that it should not be held liable in this matter, and that it has suffered damages for which Claimant should be held liable.

### **RELIEF REQUESTED**

Claimant, Robert Hopp, requested that the \$1,331.80 unsecured debit be removed from his account.

Respondent, Josephthal Lyon & Ross, Inc., requested that the Statement of Claim be dismissed and that it be awarded its costs, fees and charges including the \$1,331.80 unsecured debit balance owed by Claimant.

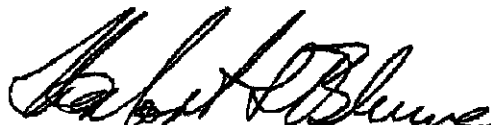
### **AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public Arbitrator, Herbert L. Blume, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 6, 1995 and by the Respondent on March 3, 1995. 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 Statement of Claim filed by Claimant, Robert Hopp, is denied and dismissed in its entirety.
2. The Counterclaim filed by Respondent Josephthal Lyon & Ross, Inc. is hereby awarded. Therefore, Claimant Robert Hopp shall be liable for and shall pay to Respondent Josephthal Lyon & Ross, Inc., \$1,331.80 in actual damages.
3. The parties shall bear their respective costs.
4. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. ("NASD") by the Claimant shall be retained by the NASD, Inc.
5. Claimant, Robert Hopp, shall be liable for and shall pay to Respondent, Josephthal Lyon & Ross, Inc. \$575.00 as reimbursement of the counterclaim filing fee.

**AFFIRMATION**

I, **HERBERT L. BLUME**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

A handwritten signature in cursive script, appearing to read "Herbert L. Blume", is written over a horizontal line.

Signature of Arbitrator  
**HERBERT L. BLUME**

DATE OF DECISION: *August 18, 1995*