

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Theodore F. Labuzan  
Deeann S. Labuzan

95-00427

Name of Respondents

Prime Charter, LTD.  
Corey Rockafeler

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 26, 1995, Claimants, Theodore F. Labuzan and Deeann S. Labuzan, who appeared Pro Se, alleged that Respondents, Prime Charter, LTD. and Corey Rockafeler, agreed to charge only 1/8 commission on trades. Claimants further alleged that Respondents did only charge 1/8 commission on trades while Claimants kept an active account with Respondents, but that they were unhappy with the performance of their broker, Respondent Corey Rockafeler and decided to transfer their account to PaineWebber, Inc. Claimants contended that Respondent Corey Rockafeler suggested that Claimants purchase LDDS Communications, Inc. on August 2, 1994, which was the last day that a trade could be made with Respondents prior to freezing the account, and they agreed to purchase the stock at 19-1/4 with commission rate at 1/8. Claimants further contended that when the ticket came in, the charge was 20 for the transaction, even though the Respondents had agreed the commission rate would remain at 1/8. Claimants asserted that they have suffered damages due to the wrongdoing of the Respondents, for which Respondents should be held liable.

Respondents, Prime Charter, LTD. and Corey Rockafeler, through their representative, Maureen A. Porette, Compliance Officer, maintained that they never agreed to charge the Claimants 1/8 of a point on all of their transactions, and they deny agreeing to charge the Claimants only 1/8 of a point on the transaction at issue. Respondents further contended that on two occasions Claimants were charged 1/16 of a point commission and that these deviations from the 1/8 of a point commission were not complained of, or mentioned in Claimants' point on "precedent" transactions. Respondents maintained that Claimants ratified the trade by agreeing to it on the date of occurrence and again ratified it when they paid for it, and further that the Statement of Claim fails to provide any evidence of wrongdoing by the Respondents, and therefore the claims against them should be dismissed.

**RELIEF REQUESTED**

Claimants, Theodore F. Labuzan and Deeann S. Labuzan, requested \$1,000.00 in actual damages, plus \$250.00 in punitive damages, costs and expenses and return of the NASD filing fee.

Respondents, Prime Charter, LTD. and Corey Rockafeler, requested that the claims of the Claimants be dismissed.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Martha Failing, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on January 16, 1995 and by the Respondents on May 8, 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 Respondents, Prime Charter, LTD. and Corey Rockafeler, are jointly and severally liable and shall pay to Claimants, Theodore F. Labuzan and Deeann S. Labuzan actual damages in the amount of \$750.00.
2. The Respondents, Prime Charter, LTD. and Corey Rockafeler, are jointly and severally liable and shall pay to Claimants, Theodore F. Labuzan and Deeann S. Labuzan, interest at the rate of 10% per annum from the date of the Award herein to the date of payment of this Award.
3. The Claimants' request for punitive damages is denied.
4. The parties shall bear their respective costs.
5. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. Respondents, Prime Charter, LTD. and Corey Rockafeler, are jointly and severally liable and shall pay \$50.00 to Claimants, Theodore F. Labuzan and Deeann S. Labuzan as reimbursement of the filing fee.

Affirmation

STATE OF *Texas*

} SS:

COUNTY OF *Harris*

I, *Martha Gailing*, do hereby affirm upon my oath  
as arbitrator that I am the individual described in and who executed this instrument,  
which is my oath and award.

*Martha Gailing*  
Signature of Arbitrator

Date of Decision: November 14, 1995