

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Alfred D. & Evelyn M. Schmidt JTWROS

95-00758

Name of Respondents

Hanover Sterling & Co., LTD.  
Thomas E. Plamenco

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 13, 1995, Claimants Alfred D. & Evelyn M. Schmidt JTWROS, who appeared Pro Se, alleged that they purchased 4000 shares of Eagle Vision, Inc. ("EVI") stock from Respondent Thomas E. Plamenco ("Plamenco"), an employee of Respondent Hanover Sterling & Co., Ltd. ("Hanover Sterling"). Claimants further alleged that Respondent Plamenco misrepresented to them that the EVI stock was traded on "NASDAQ SMALL-CAP ISSUES". Claimants further alleged that Respondent Plamenco told them the EVI stock was traded on the "PINK SHEET" after they purchased it, and that they told Respondent Plamenco that they had a problem with a stock being traded on a market that they could not verify and monitor. Claimants contended that several days after complaining to Respondent Plamenco about the misrepresentation, they received notification that the EVI stock was sold from their account because the shares were not paid for. Claimants further contended that payment was not due until three days after the sale took place, and that the loss was taken from credit in their account. As a result of the above, Claimants alleged that they have suffered damages for which the Respondents should be held liable.

Respondents Hanover Sterling & Co., LTD and Thomas E. Plamenco, did not file a Statement of Answer.

RELIEF REQUESTED

Claimants Alfred D. & Evelyn M. Schmidt JTWROS, requested \$3,046.00 in actual damages.

Respondents Hanover Sterling & Co., LTD and Thomas E. Plamenco, did not file a Statement of Answer.

### **OTHER ISSUES CONSIDERED AND DECIDED**

In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondents were served by regular mail and given an opportunity to respond, which they failed to do. Service of an Overdue Answer Memo was also effected upon the Respondents as evidenced by return receipt cards dated May 8, 1995 on file with the NASD, Inc.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondents Hanover Sterling & Co., LTD and Thomas E. Plamenco, had notice of the claim and were required to submit to this arbitration proceeding and are, therefore, bound by the arbitrator's ruling and determination.

### **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 Claimants on February 10, 1995 and not by the Respondents 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 Hanover Sterling & Co., LTD and Thomas E. Plamenco, are jointly and severally liable and shall pay to Claimants Alfred D. & Evelyn M. Schmidt JTWROS, \$3,046.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Alfred D. & Evelyn M. Schmidt JTWROS, shall be retained by the NASD, Inc. Respondents Hanover Sterling & Co., LTD and Thomas E. Plamenco, are jointly and severally liable and shall pay to Claimants Alfred D. & Evelyn M. Schmidt JTWROS, \$125.00 as reimbursement of the filing fee.

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**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.

Herbert L. Blume

**DATE OF DECISION:** November 15, 1995