

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Charles W. G. Caruso

95-01399

Name of Respondent

A.T. Brod & Co., Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 20, 1995, Claimant Charles W. G. Caruso, who appeared Pro Se, alleged that Respondent, A.T. Brod & Co., Inc. incorrectly approved a trade on Claimant's account which resulted in a loss to Claimant of \$10,000.00. Claimant alleged that on November 5, 1993 he placed an order to buy 10,000 shares of Canterbury Educational Services, symbol XCEL, traded on NASDAQ. Claimant further alleged that he was informed that Respondent implemented a procedure for purchases of stock worth less than five dollars, which required compliance approval as well as the existence of cash or marketable securities in the customer's account at the time the order is taken, for trade between \$25,000.00 and \$50,000.00. Claimant contended that the compliance officer approved the trade only to discover afterwards that the approval was based on incorrect information. Claimant further contended that he had to sell two stocks, 1,200 shares BKC Semiconductors, a NASDAQ stock (BKCS) for a total of \$7,195.00 and 1,000 shares of Canterbury Educational Services (XCEL) in order to cover the loss incurred due to the error committed by the Respondent.

Respondent A.T. Brod & Co., Inc., failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Charles W. G. Caruso, requested \$10,000.00 in actual damages.

Respondent A.T. Brod & Co., Inc., failed to 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 A.T. Brod & Co., Inc. was served a copy of the Statement of Claim by regular mail and given an opportunity to respond, which it failed to do. Service of the claim and notice of the Arbitrator's identity were effected as evidenced by return receipt cards on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent, A.T. Brod & Co., Inc., had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling determination.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Michel J. Landron, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 16, 1995, but not by the Respondent 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. Respondent A.T. Brod & Co., Inc., is liable and shall pay to Claimant Charles W. G. Caruso, \$10,000.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Charles W. G. Caruso, shall be retained by the NASD, Inc.

AFFIRMATION

STATE OF NEW YORK

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SS:

COUNTY OF NEW YORK

I, MICHAEL J. LANDAU, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

Michael J. Landau

Signature of Arbitrator

DATE OF DECISION: November 1, 1995