

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Walter John and Mathilde Berg

95-02110

Name of Respondents

Reid T. Diorio

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 1, 1995, Claimants Walter John and Mathilde Berg, who appeared Pro Se, alleged that Respondent Reid T. Diorio, sold them an unsuitable investment which resulted in a loss. Claimants further alleged that the Respondent contacted them for the first time on February 21, 1995, and they agreed to purchase 1,000 shares of Cytogen Corp. ("CYTO") at 3 11/16. Claimants contended that they emphasized to Respondent that they wanted to limit their downside on all investments to 10%. Claimants further contended that on March 16, 1995, pursuant to Respondent's recommendation, they purchased 2,000 shares of Future Healthcare, Inc. ("FHCIE") at 5 7/8. Claimants alleged that all 2,000 shares of FHCIE were sold on March 24, 1995, at 3 3/4, resulting in a loss of \$4,175.00. Claimants further alleged that the investment in FHCIE was not suitable for them. As a result of the above, Claimants alleged that they have suffered a loss for which the Respondent should be held liable.

Respondent Reid T. Diorio, who appeared Pro Se maintained that he handled Claimant's account with professionalism and diligence at all times. Respondent further maintained that he explained to the Claimants that there was no such thing as a stop loss order on NASDAQ Stocks and they agreed to trade anyway. Respondent contended that after he recommended FHCIE to the Claimants they agreed to the purchase and went so far as to sell other securities in order to pay for the trade. Respondent further contended that all of the trades executed for the Claimants were authorized and paid for. As a result of the above, Respondent maintained that he should not be held liable.

RELIEF REQUESTED

Claimants Walter John and Mathilde Berg, requested \$4,175.00 in actual damages.

Respondent Reid T. Diorio, 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, Amy Seltzer, Ph.D, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Walter John and Mathilde Berg, on April 25, 1995, and by the Respondent Reid T. Diorio, on June 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. Respondent Reid T. Diorio, is liable and shall pay to the Claimants Walter John and Mathilde Berg, \$4,050.00 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 Walter John and Mathilde Berg, shall be retained by the NASD, Inc.

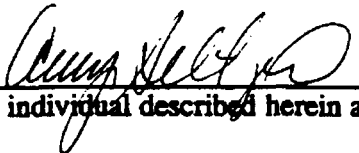
AFFIRMATION

STATE OF

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SS:

COUNTY OF

I, , 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.


Signature of Arbitrator

DATE OF DECISION: December 20, 1995