

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Richard and Anna Prignoli

95-03490

Name of Respondents

Gene Kingman  
South Richmond Securities

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 19, 1995, Claimants Richard and Anna Prignoli ("Claimants"), who appeared Pro Se, alleged that Respondents South Richmond Securities ("SRS"), and Gene Kingman ("Kingman"), sold them shares of American Complex Care ("ACC") on May 11, 1994. Claimants further alleged that Kingman told them that it was a good stock and was at its low point and would rise in price over the next 30 to 60 days. Claimants contended that they contacted Kingman the next day to agree to purchase 500 shares but that 1,000 had already been purchased in their names. Claimants further contended that Kingman convinced them to purchase another 1,000 shares on July 11, 1994 saying that the stock would go up. Claimants alleged that Kingman did not inform them about the commission he charged on the first stock transaction. Claimants further alleged that Kingman continued to tell them that their ACC stock would rebound and requested that they purchase more shares of ACC which they refused later learning from their own research that the company was liquidating. Claimants contended that as a result of the above, they have suffered a loss for which the Respondents should be held liable.

Respondent Gene Kingman, who appeared Pro Se, maintained that he recommended ACC to Claimant Richard Prignoli because it had risen from \$1 1/2 a share to almost \$7.00 a share from the period of December 1992 to December 1993 and he thought it was a good buying opportunity. Respondent further maintained that Claimants had authorized the purchase of 1,000 shares and had called the day following the authorization to lower the amount to 500 but agreed to keep the 1,000 shares he already purchased. Respondent contended that in July 1994 a large block of ACC stock was sold which drove down the price of the stock and that this information was relayed to the Claimants. Respondent further contended that he obtained employment at GKN Securities in October of 1994 and that Claimants chose to transfer their account to GKN. Respondent maintained that he did not actively solicit the purchase of ACC after leaving South Richmond Securities but that he did advise Claimants to hold on to the stock because he thought the price would rebound. Respondent further maintained that as a result of the above, he should not be held liable.

All reasonable attempts to serve the Statement of Claim on Respondent South Richmond Securities were unsuccessful.

**RELIEF REQUESTED**

Claimants Richard and Anna Prignoli, requested \$6,301.25 in actual damages.

Respondent Gene Kingman, requested that the claims of the Claimant be dismissed.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Harvey Barrison, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on July 18, 1995, and by the Respondent Gene Kingman, on October 2, 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 claims of the Claimants Richard and Anna Prignoli, against Respondent South Richmond Securities, are dismissed without prejudice.
2. The Respondent Gene Kingman, is liable and shall pay to Claimants Richard & Anna Prignoli, \$3,421.25 in actual damages.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Richard and Anna Prignoli shall be retained by the NASD, Inc. The Respondent Gene Kingman, shall pay to the Claimants Richard and Anna Prignoli, \$150.00 as reimbursement of the filing fee.

**AFFIRMATION**

I, **HARVEY BARRISON, ESQ.**, do hereby affirm, pursuant to Article 7507 of the Civil Procedure Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

  
Harvey Barrison, Esq.

DATE OF DECISION: March 14, 1996