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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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Securities Dealers, Inc.

In the Matter of the Arbitration Between

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H. Joseph Tedorì
Claimant

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and

First Hanover Securities, Inc.,
Respondent-Third Party Claimant

and

Walter J. Marino
Third Party Respondent

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 7, 1995, Claimant H. Joseph Tedorì ("Claimant"), who appeared Pro Se, alleged that Respondent First Hanover Securities, Inc. ("FHS"), through its broker, Walter J. Marino ("Marino"), made unauthorized trades in his account. Claimant further alleged that during March 1994, he opened an account with FHS, with Marino as his account executive, and that it was understood that no trades would be made in Claimant's account without prior approval. Claimant contended that while he was away in Europe on vacation, Marino made unauthorized purchases of shares of Silicon Valley and Cisco for Claimant. Claimant further contended that when he returned home, he discovered the trades and immediately contacted Marino and insisted that the trades be reversed. Claimant further contended that Marino said he would make up for any losses that resulted. Claimant alleged that he waited several months, but despite numerous promises, Marino did not reimburse Claimant for the losses he incurred, and that as a result of the above, the Respondent FHS should be held liable.

Respondent First Hanover Securities, Inc., through its representative and in-house counsel, Charles M. O'Rourke, Esq., maintained that it does not permit or condone unauthorized transactions and asserted a third party claim against Marino. FHS further maintained that Claimant failed to complain about the alleged unauthorized trades until nine months after the fact. FHS contended that if Claimant had complained to FHS sooner, it would have terminated Marino if the allegation proved true, and rectified the problem. FHS further contended that Claimant's failure to complain in a timely fashion bars his recovery. In addition, in a third party claim against Walter Marino, FHS asserted that if any liability exists, it is between Claimant and Marino, the third party Respondent.

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Third Party Respondent Walter J. Marino, through his representative and in-house counsel, Gregg R. Evangelist, Esq., located in Jericho, NY., maintained that all transactions of the transactions at issue were made with Claimant's knowledge and authorization, and that there is no record of any timely written objection to the disputed transactions. Marino further maintained that Claimant is barred from asserting his claims due to his notification of the transactions, lack of diligence and failure to conduct his financial affairs reasonably, and therefore, he should not be held liable.

In his rebuttal to the Answer of Respondent First Hanover Securities, Inc., Claimant asserted that although Marino may bear responsibilities to his prior employer, First Hanover Securities, Inc., Claimant dealt directly with FHS, through its agent, Marino, and that the corporate entity must be held responsible for the acts of its employee, Marino.

RELIEF REQUESTED

Claimant H. Joseph Tedorì, requested \$7546.50 in actual damages, plus attorneys' fees of \$1,000.00.

Respondent First Hanover Securities, Inc., requested that the claims of Claimant H. Joseph Tedorì be dismissed in their entirety, or in alternative, that its third party claim for indemnification against Third Party Respondent Walter J. Marino, be assessed to the full extent of any award.

Third Party Respondent Walter J. Marino, requested that the claims of the Claimant H. Joseph Tedorì be dismissed in their entirety and that he be awarded costs and attorneys' fees.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Charles D. Powell, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant H. Joseph Tedorì, on July 31, 1995, and by the Respondent First Hanover Securities, Inc., on October 17, 1995, and by the Third Party Respondent Walter J. Marino, on January 18, 1996.

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 First Hanover Securities, Inc. is liable and shall pay to the Claimant H. Joseph Tedorì, **\$7,546.50** in actual damages.

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2. Third Party Respondent Walter J. Marino is liable and shall pay to the Third Party Claimant First Hanover Securities, Inc., \$7,545.54 as indemnification for the liability assessed against Third Party Claimant First Hanover Securities, Inc. in this award.
3. All other relief requests are denied.
4. The parties shall bear their respective costs.
5. The \$ 150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc., by the Claimant H. Joseph Tedorì, shall be retained by the NASD, Inc. Respondent First Hanover Securities Inc. is liable and shall pay to the Claimant H. Joseph Tedorì, \$150.00 as reimbursement of the filing fee. Third Party Respondent Walter J. Marino is liable and shall pay to the Third Party Claimant First Hanover Securities, Inc., \$150.00 as indemnification for the filing fee reimbursement charges assessed against Third Party Claimant First Hanover Securities, Inc.
6. The \$575 .00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Third Party Claimant First Hanover Securities, Inc., shall be retained by the NASD, Inc. Third Party Respondent Walter J. Marino is liable and shall pay to the Third Party Claimant First Hanover Securities, Inc., \$575.00 as reimbursement of the third party claim filing fee.

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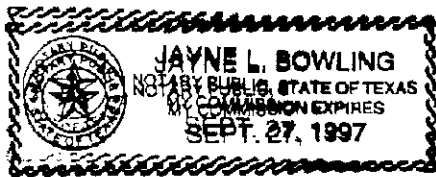
COUNTY OF HARRIS

& (a) - -

Signature of Arbitrator

SS:

Notary Public in and for the
State of TEXAS



DATE OF DECISION: May 29, 1996