

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Julie Kay Ireland

95-03882

Name of Respondents

National Securities Corporation
Sebastian Attardo

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 11, 1995 Claimant Julie Kay Ireland ("Claimant"), through her representative and counsel, Donald L. Carr, II of Smith, Schneider, Stiles, Hudson, et al., located in Cedar Rapids, Iowa, alleged that she held an account with Respondent National Securities Corporation ("NSC") and that her account representative Respondent Sebastian Attardo ("Attardo") failed to use due diligence to learn essential facts relative to her investment objectives, financial status and risk tolerance. Claimant further alleged that NSC was negligent in failing to diligently supervise the handling of all purchases and sales of securities in her account. Claimant contended that Attardo orchestrated numerous trades, abusing her confidences, for his personal gain. Claimant further contended that Attardo used Claimant's lack of financial savvy to his advantage by investing her life savings in speculative and risky OTC stocks such as Boston Tech, Questar, Texas Utilities and AutoInfo, Inc., among others. Claimant alleged that the sales and commissions on her account demonstrate excessive trading in view of her financial needs, situation and investment objectives. Claimant further alleged that on August 21, 1991, she revoked Attardo's authorization to sell securities on her behalf without her express consent. Claimant contended that Attardo's failure to sell her shares of AFN stock was in retaliation of her revocation. Claimant further contended that as a result of the above, she has suffered a loss for which they should be liable.

Respondents National Securities Corporation and Sebastian Attardo ("Respondents") through their representative and in-house counsel, Mark Roth, Esq., maintained that they had reasonable grounds to believe the investment recommendations were suitable for Claimant. Respondents further maintained that in August of 1991, Claimant informed the Compliance Officer that no unauthorized trades had been made in her account and that she had no complaint regarding the level of activity in the account. Respondents contended that Attardo spent more than two hours discussing the direct relationship between risk and return potential with Claimant. Respondents further contended that Claimant regrets her investment decisions and now seeks a refund. Respondents asserted that they have committed no wrongdoing, and as a result of the above, they should not be held liable in the matter.

RELIEF REQUESTED

Claimant Julie Kay Ireland, requested \$10,000.00 in actual damages, plus interest, attorneys' fees and other costs.

Respondents National Securities Corporation and Sebastian Attardo, requested that the claims of the Claimant be dismissed.

AWARD

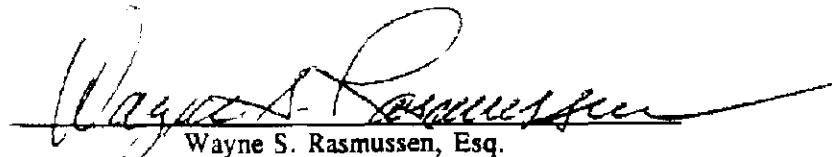
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Wayne S. Rasmussen, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 31, 1995 and by the Respondent National Securities Corporation on November 3, 1995 but not by Respondent Sebastian Attardo 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 National Securities Corporation and Sebastian Attardo are jointly and severally liable and shall pay to Claimant Julie Kay Ireland \$4,057.62 in actual damages.
2. Respondents National Securities Corporation and Sebastian Attardo are jointly and severally liable and shall pay shall pay to Claimant Julie Kay Ireland simple interest the rate of 10% per annum commencing 30 days after the date of the Award until the date of payment of the award.
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 Claimant shall be retained by the NASD, Inc. Respondents National Securities Corporation and Sebastian Attardo are jointly and severally liable and shall pay to Claimant Julie Kay Ireland \$150.00 as reimbursement of the filing fee.

AFFIRMATION

I, **WAYNE S. RASMUSSEN, ESQ.**, 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.


Wayne S. Rasmussen, Esq.

DATE OF DECISION: April 22, 1996