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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Frederic R. and Althea O. Ames

95-04116

Name of Respondents

National Association of
Securities Dealers, Inc.

Joel Albert Nazareno
Hanover, Sterling & Co., LTD (Bankruptcy)
Adler, Coleman Clearing Corp. (Bankruptcy)
Thomas D. Plamenco

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 28, 1995 Claimants Frederic R. and Althea O. Ames ("Claimants"), who appeared Pro Se, alleged that on May 2, 1994 Respondents Hanover Sterling and Co, Inc., ("Hanover"), Joel Albert Nazareno ("Nazareno") and Thomas Plamenco ("Plamenco") (collectively referred to as "Respondents"), solicited them to buy Eagle Vision, overstated the value of the stock and then refused to follow their instruction to sell the stock. Claimants asserted that on September 20, 1994 they called several times leaving messages which ordered Hanover to sell the stock and forward a check. but they never heard back. Claimants further asserted that they did not receive a response, only statements even after they faxed Hanover a note to sell the stock on February 9, 1995. Claimants contended that they learned of Adler, Coleman Clearing Corp.'s liquidation status through their account statement on December 30, 1994 which valued the stock at \$4,125.00. Claimants further contended that when their account was transferred to Lew Lieberman & Co. Inc., the new statement showed that the stock was worth \$250.00. Claimants alleged that as a result of the above, they have suffered damages for which the Respondents should be held liable.

Respondents Joel Albert Nazareno ("Nazareno") and Thomas Plamenco ("Plamenco"), who appeared Pro Se, filed a joint answer maintaining that the purpose of their partnership at Hanover was to better serve their customers by enabling them to assist their clients with an order and to provide a quote or any other type of service at all times. Respondents further maintained

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that the Claimants' account was not handled by Nazareno who also denied that he ever spoke with them or received a request to sell their stock. Respondent Plamenco contended that when the stock was bought, he informed them that the stock was a long term commitment and they should expect to hold the position between six months to a year before they sold. Respondent Plamenco further contended that he never received a sell order on September 20, 1994, but in fact the fax that the Claimants allegedly sent to Hanover was sent two days after Respondents Plamenco and Nazareno resigned from their positions at Hanover.

Respondents Nazareno and Plamenco maintained that Claimants failed to follow the activity in their account because had they actually wanted to sell their stock, they would have contacted Respondents as soon as the monthly statement showed the stock was unsold. Respondents Nazareno and Plamenco further maintained that they committed no wrongdoing and requested that the claims against them be dismissed.

Respondent Nazareno, in a separate submission maintained that his partnership with Respondent Plamenco was an informal one, formed on an equal basis by combining both of the client books in order to serve the customers in a more expeditious manner. Respondent Nazareno further maintained that the purpose was to ensure that a licensed broker would always be available to the clients who wished to place orders. Respondent also maintained that the partnership was formally established when both Respondents combined their books into one book splitting all of the commissions equally. Respondent asserted that a written partnership agreement never occurred. Respondent Nazareno contended that Sovereign Equity which opened a New York City office in 1995, offered a nice compensation package and that he felt his clients would be better served at this firm. Respondent Nazareno maintained that Eagle Vision was a growth stock that appeared to have potential to become a good company over the years based on the information that was provided to him by Respondent Hanover Sterling.

Respondent Plamenco in a separate submission maintained that his partnership with Respondent Nazareno was initially established to better serve their customers because they both sat in the same office area and found themselves fielding calls from each others customers. Respondent Plamenco further maintained that he left Joseph Roberts to accept an offer from Sovereign Equity Management Corporation because they were equipped to obtain better execution and prices for his trading customers as well as be a better firm for building his career because they offered realistic opportunities for management positions. Respondent Plamenco further contended that the Claimants' losses occurred after he left Hanover Sterling and after the Claimant declined his offer to transfer their account to his new firm and therefore expected that this matter would be dismissed. Respondent Plamenco maintained that his partnership with Respondent Nazareno has been in existence for four years and is solely based on a verbal agreement. Respondent Plamenco further maintained that he regularly had conversations with the Claimants recommending Eagle Vision for a long term appreciation and advised him to retain his shares based on the fundamentals of the company which indicated the potential for long-term appreciation.

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RELIEF REQUESTED

Claimants Frederic R. & Althea O. Ames, requested \$4370.00 in actual damages.

Respondents Joel Albert Nazareno and Thomas Plamenco, requested that the claims of the Claimant be dismissed.

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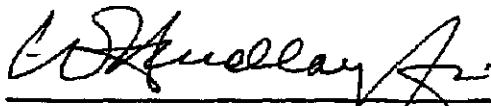
Pursuant to Section '13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, William H. Malloy, Jr., Esq. was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Frederic R. and Althea O. Ames on August 23, 1995. and by the Respondents Joel Albert Nazareno and Thomas Plamenco on March 22, 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: Respondents Joel Albert Nazareno and Thomas Plamenco are jointly and severally liable, and shall pay to the Claimants Frederic R. and Althea O. Ames \$4,000.00 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 shall be retained by the NASD, Inc.
4. All other relief requests are denied.

AFFIRMATION

I, William H. Malloy, Jr., 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: August 30, 1996