

**AMENDED N.A.S.D. AWARD****NASD Regulation, Inc. Office of Dispute Resolution**

In the Matter of the Arbitration Between

**Names of Claimants**

Charles J. and Doris M. Nicholas

96-00345

**Names of Respondents**

Marina Securities, Inc., aka Great American Financial  
Network, Inc. and Victor Verola

**REPRESENTATION**

For Claimants Charles J. and Doris M. Nicholas: William R. Ponsoldt, Esq., of Kohl, Metzger, Spotts, Ponsoldt & Tapper P.A., Stuart, Florida.

For Respondent Marina Securities, Inc., aka Great American Financial Network, Inc.: Robert J. Mottern, Esq. of Mottern & Van Gelderen, Atlanta, Georgia.

For Respondent Victor Verola: George Hoffman, Esq., West Palm Beach, Florida.

**CASE INFORMATION**

Statement of Claim filed: 1/19/96.

Submission Agreement signed by both Claimants: 1/10/96.

A Joint Statement of Answer filed by Respondents: 1/17/96.

The Respondents did not file executed Submission Agreements.

**HEARING INFORMATION**

Hearing Dates/Sessions: 10/17/96-one (1) session.

11/20/96-one (1) session.

Hearing Location: Fort Lauderdale, Florida.

**CASE SUMMARY**

Claimants alleged that Respondent Marina Securities, aka Great American Financial Network, Inc., failed to properly supervise its employees, failed to provide proper record keeping with respect to the transactions at issue, failed to provide a written compliance manual, breached its fiduciary duty to the Claimants, and otherwise failed to comply with NASD rules. Claimants further alleged that Respondent Verola failed to recommend suitable investments to Claimants, failed to properly diversify their portfolio, and defrauded the investors with respect to the purchase of the securities at issue in this case.

Respondents denied all allegations of wrongdoing contained in the Statement of Claim and maintained that the Claimants' investments were suitable for them in light of their financial circumstances and investment objectives and that all investments in their account were made with their knowledge and their direction.

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### **RELIEF REQUESTED**

Claimants requested compensatory damages including interest in the amount of \$100,000.00. In addition, Claimants sought punitive damages.

Respondents requested that the arbitrators enter an award in their favor and assess costs and fees against the Claimants.

### **OTHER ISSUES CONSIDERED & DECIDED**

Prior to the hearing, NASD Regulation, Inc. was advised that the Claimants had entered into a settlement agreement with Respondent Marina Securities, Inc., aka Great American Financial Network, Inc.

On November 20, 1996 the Claimants and Respondent Verola executed a joint stipulation for entry of an Award on default which the arbitration panel consented to and incorporated by reference into an Award which was rendered on January 7, 1997.

On January 5, 1998 the Claimants filed a request with NASD Regulation, Inc. that the arbitration panel enter an Amended Award against Respondent Verola in favor of the Claimants in the amount of \$70,000.00 pursuant to paragraph six of the joint stipulation executed by the parties on November 20, 1996. The arbitration panel considered the request and determined that said Award should be entered.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

### **AWARD**

This matter came before the undersigned Arbitrators upon stipulation of the parties to the controversy as set forth in the submission to arbitration. The Arbitration Panel, having reviewed the attached stipulation for entry of an Award on default by the parties, and Claimants' request that the arbitrators enter an Award against Respondent Verola in the amount of \$70,000.00 together with the affidavits of Tim B. Wright, Charles J. Nicholas and Gabriel M. Vuagniaux, determined in full and final resolution of the issues submitted for determination as follows:

Pursuant to paragraph six of the joint stipulation of the parties executed on November 20, 1996, Respondent Verola shall pay to the Claimants the sum of \$70,000.00.

### **FORUM FEES**

Pursuant to Rule 10332 of the Code of Arbitration Procedure, the Arbitrators have assessed forum fees in the amount of \$1,500.00 (two (2) hearing sessions x \$750.00).

1. Respondent Verola is assessed forum fees in the amount of \$750.00 payable to NASD Regulation, Inc.
2. The Claimants are assessed forum fees in the amount of \$750.00 for which NASD Regulation, Inc. shall retain the \$750.00 previously deposited by Claimants in full satisfaction thereof.
3. Respondent, Marina Securities shall pay to NASD Regulation, Inc. the member surcharge of \$350.00 pursuant to Section 10333 (formerly Section 45) of the Code of Arbitration Procedure.
4. NASD Regulation, Inc. shall retain the claim filing fee of \$200.00 paid by the Claimants.

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Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.

ARBITRATION PANELConcurring Arbitrators' Signatures/s/  
Myron Dunay, Esq.

Public/Chairperson

/s/  
Burt R. Rose

Public/Panellist

/s/  
Alvin Spier

Industry/Panellist

Date of Decision: April 9, 1998

## NATIONAL ASSOCIATION OF SECURITIES DEALERS ARBITRATION

CHARLES J. NICHOLAS AND DORIS M.  
NICHOLAS,

Claimants,

vs.

MARINA SECURITIES, INC. AND GREAT  
AMERICAN FINANCIAL NETWORK, INC. AS  
SUCCESSOR and VICTOR VEROLA,  
Respondents.

NASD CASE NO: 96-00345

Stipulated Settlement with Award on Default

Comes Now, the parties by and through their undersigned counsel and individually and agree as follows:

Whereas, the undersigned parties have a currently pending arbitration case; and

Whereas, the undersigned parties wish to avoid conducting an arbitration hearing and to settle their dispute amicably;

Now Therefore, for the mutual covenants and consideration contained herein, the undersigned parties agree as follows:

1. Within (2) two days of the execution of this agreement, Victor Verola will facilitate transfer and assign 2680 shares of Great American Resorts and Hotels, Inc., into the name of Kohl, Metzger, Spotts, Ponsoldt & Tapper, P.A. trust account for the benefit of Charles and Doris Nicholas.
2. The stock will be sold during the next 90 ninety days. All parties to this agreement will use their best efforts to sell the stock for the highest price. Charles and Doris Nicholas shall give Victor Verola a limited power of attorney granting Victor Verola the right to sell the stock. All parties understand that the stock is thinly traded and that an immediate liquidation of the stock would not be beneficial to either party and that the possibility exists that the sale of the stock will not realize \$7,000.
3. Charles and Doris Nicholas shall be entitled to the proceeds of the sale of the stock. However, at his option Victor Verola may provide Charles and Doris Nicholas with the total market value of the stock as determined by the ask price on the date of this agreement or \$7,000 whichever is greater, at any time prior to the expiration of the 90 day period. In the event, Victor Verola exercises his option, Charles and Doris Nicholas shall return the stock referenced in paragraph 1.
4. In the event the proceeds of the sale of the stock does not net, after all expenses, at least \$7,000 to Charles and Doris Nicholas, Victor Verola shall guarantee the difference within the 90 ninety day period referenced in paragraph 2.
5. Victor Verola represents as follows:
  - a. That he has no substantial assets in his name individually or that could be recovered in the event of the entry of a judgment against him and understands that this representation is a material inducement to Charles and Doris Nicholas entering into this agreement.

b. That the stock will have no restrictions upon its transfer to Charles and Doris Nicholas or their attorneys.

c. That the stock can be transferred without encumbrances.

d. That Victor Verola has no pending arbitration or other claims against him that will be heard prior to the net receipt of \$7,000 by Charles and Doris Nicholas or the expiration of the 90 ninety day period whichever occurs first..

6. Victor Verola represents that in the event Charles and Doris Nicholas do not receive (a net amount of at least \$7,000 or the market value of the stock as determined by the ask price on the date of this agreement whichever is greater) within the 90 day period, or in the event any of the representations contained within this agreement are false, Charles and Doris Nicholas shall be entitled to an Award entered by the arbitrators in the amount of \$70,000, upon the filing of an affidavit of noncompliance. Victor Verola expressly waives any notice and hearing on the issue of such non-compliance.

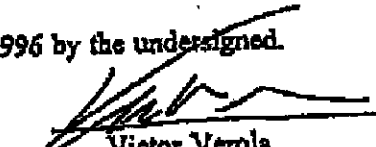
7. The parties agree that in the event of any dispute regarding this agreement it shall not be interpreted against any one party more strongly than the other as both parties have participated in its drafting.


8. In the event any actions need be taken by Charles and Doris Nicholas to enforce the terms and conditions of this agreement, Victor Verola agrees that they shall be entitled to the reasonable costs and attorneys' fees incurred.


9. This is a full and complete agreement and all understandings between the parties are contained herein.


Executed on this 20th day of November 1996 by the undersigned.

  
Charles Nicholas

  
Victor Verola

  
Doris Nicholas

  
William R. Ponsoldt Jr., Esq.  
Attorney for Claimants

  
George Hoffman, Esq.  
Attorney for Respondent

## NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In The Matter of The Arbitration Between:

CHARLES J. NICHOLAS and  
DORIS M. NICHOLAS

Claimants,

vs.

Case No. 96-00345

MARINA SECURITIES, INC. aka GREAT AMERICAN  
FINANCIAL NETWORK, INC. and VICTOR VEROLA,

Respondents.

AFFIDAVIT OF TIM B. WRIGHT

STATE OF FLORIDA

COUNTY OF MARTIN

Before me, the undersigned authority, personally appeared TIM  
B. WRIGHT, who being duly sworn deposes and says:

1. I am an attorney, licensed to practice law in the State  
of Florida.

2. I conducted an arbitration before the NASD that involved  
VICTOR VEROLA on February 11, 1997. The arbitration was case no. 96-  
00749.

3. The date of the arbitration was scheduled prior to  
November 20, 1996.

4. Further affiant sayeth naught.

  
Affiant

STATE OF FLORIDA

COUNTY OF MARTIN

THE FOREGOING INSTRUMENT was acknowledged before me this  
6 day of March, 1997, by  
Tina B. Wright who [ ] is/are personally known  
to me or [ ] has/have produced  
as identification.

Karen M. Hanson  
Printed Name Karen M. Hanson  
Notary Public

Notary Seal:



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## NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In The Matter of The Arbitration Between:

CHARLES J. NICHOLAS and  
DORIS M. NICHOLAS

Claimants;

vs.

Case No. 96-00345

MARINA SECURITIES, INC. aka GREAT AMERICAN  
FINANCIAL NETWORK, INC. and VICTOR VEROLA,

Respondents.

AFFIDAVIT OF CHARLES J. NICHOLAS

STATE OF FLORIDA

COUNTY OF MARTIN

Before me, the undersigned authority, personally appeared  
CHARLES J. NICHOLAS, who being duly sworn deposes and says:

1. I am the claimant in the above referenced matter and as such have personal knowledge of the facts contained herein.
2. I have never received any money from VICTOR VEROLA in regards to performing on the settlement agreement he entered into on the date of our arbitration.
3. The settlement agreement requires that I receive a net amount of \$7,000.00 or the market value of the stock on November 20, 1996, whichever is greater. I have received no money in accordance with the settlement agreement entered into by VICTOR VEROLA on November 20, 1996.
4. Based on the agreement I believe I am entitled to a judgement against VICTOR VEROLA for the sum of \$70,000.00 plus the attorney's fees incurred.



5. Further affiant sayeth naught.

Charles Nicholas  
Affiant

STATE OF FLORIDA

COUNTY OF MARTIN

THE FOREGOING INSTRUMENT was acknowledged before me this  
28th day of February, 1997, by  
CHARLES J. NICHOLAS who [ ] is/are personally known  
to me or [X] has/have produced FL. DRIVERS LICENSE  
as identification.

Melanie Jo Satun  
Printed Name MELONIE JO SATUN  
Notary Public

Notary Seal:

