

NASD REGULATION, INC. AWARD

In the Matter of the Arbitration Between

Name of Claimants

Raymond Nisi
Domenick F. D'Angelica
Mario J. Abati
Philip Darrigo
Armando Battista

vs.

Case No.
96-00697

Name of Respondents

A.S. Goldmen & Company, Inc.
Robert Fox
Christopher Panza
Anthony J. Marchiano
Stuart E. Winkler
Steven Kaplan
Salvatore Marchiano
Kemper Clearing Corp.

REPRESENTATION

For Claimants Raymond Nisi ("Nisi"), Domenick F. D'Angelica ("D'Angelica"), Mario J. Abati ("Abati"), Philip Darrigo ("Darrigo"), and Armando Battista ("Battista"), collectively referred to as "Claimants", appeared James A. Prestiano, Esq., a sole practitioner located in New York, New York.

For Respondents A.S. Goldmen & Company, Inc. ("Goldmen"), Robert Fox ("Fox"), Christopher Panza ("Panza"), Anthony J. Marchiano ("Marchiano"), Stuart E. Winkler ("Winkler"), Steven Kaplan ("Kaplan"), Salvatore Marchiano ("S. Marchiano"), and Kemper Clearing Corp. ("Kemper"), collectively referred to as "Respondents", appeared Carole E. Bernstein, Esq., a sole practitioner located in Norwalk, Connecticut.

CASE INFORMATION

Statement of Claim filed on: February 12, 1996.

Claimant Nisi's Submission Agreement signed on: January 25, 1996.

Claimant D'Angelica's Submission Agreement signed on: February 03, 1996.

Claimant Abati's Submission Agreement signed on: February 03, 1996.

Claimant Darrigo's Submission Agreement signed on: February 03, 1996.

Claimant Battista's Submission Agreement signed on: February 03, 1996.

Respondents filed a Joint Statement of Answer on: June 26, 1996.

Respondents failed to file properly executed Submission Agreements as required by Rule 10314(b) of the

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NASD Regulation, Inc. Code of Arbitration Procedure (the "Code").

HEARING INFORMATION

Pre-Hearing Conference:	June 16, 1997	One Session
	June 27, 1997	One Session
Hearing Dates/Sessions:	September 02, 1997	Two Sessions
	September 03, 1997	Two Sessions
	September 04, 1997	Two Sessions
	September 22, 1997	Two Sessions
	October 13, 1997	Two Sessions
	October 24, 1997	Two Sessions
	October 27, 1997	Two Sessions

The pre-hearing conference was held telephonically. The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimants alleged that Respondents refused to execute sell orders and made unauthorized transactions in their respective accounts. Claimants further alleged that Respondents were a market maker in the securities and that Respondents' actions were an attempt to manipulate the stock price of the securities.

Claimants stated that they each opened an account with Respondent Fox, a representative of A.S. Goldmen. Claimants further stated that Respondent Fox recommended that they each purchase shares and warrants of Country Star Restaurants, Inc. ("Country Star"), during the initial public offering of which Respondent Goldmen was the market maker. Claimants also stated that when the price of the stock peaked, they contacted Respondent Fox and instructed him to sell. Claimants alleged that Respondent Fox disregarded the orders to sell, even though Respondent Goldmen was the market maker, and refused to take or return Claimants' telephone calls. Claimants further alleged that Respondent Fox made unauthorized purchases of Country Star in their accounts.

Claimants alleged that Respondent Panza was Respondent Fox's assistant and assisted him in the fraud against Claimants, in that he refused to execute sell orders and prevented Claimants from speaking with Respondent Fox. Claimants further alleged that Respondents Goldmen, Marchiano, Winkler, Kaplan, and S. Marchiano, failed to supervise the actions of their subordinates, and are therefore liable under the doctrine of respondeat superior. Claimants also alleged that Respondent Kemper is liable under the doctrine of respondeat superior. Claimants asserted that Respondents manipulated the securities of

Country Star, thus violating the NASD Rules of Fair Practice and the anti-fraud provisions of the Securities and Exchange Act of 1934.

Respondents denied all allegations contained in the Statement of Claim. Respondents further denied that they are responsible for any losses incurred by Claimants. Respondents also denied that they acted in an unprofessional manner or engaged in any wrongdoing. Respondents asserted that Claimants were not novice investors and assumed the risks of investing.

RELIEF REQUESTED

Claimants requested an award against Respondents, jointly and severally, for \$507,765.00 representing the losses sustained by Claimants, as well as, punitive damages in the amount of \$1,500,00.00, plus costs, disbursements, reasonable attorneys' fees and all other such relief that the panel deems appropriate.

Respondents requested that the Statement of Claim be dismissed in its entirety and that they be awarded costs, disbursements, and reasonable attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

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 original remains on file with the NASD.

The parties agreed to go forward with only two arbitrators.

Claimants, in a letter dated April 15, 1997, withdrew their claims against Respondent Kemper Clearing Corporation.

Claimants, in a letter dated June 10, 1997, withdrew their claims with prejudice against Respondent Christopher D. Panza.

On June 03, 1996, Justice Jane S. Solomon, of the Supreme Court of the State of New York, issued an order permanently staying the claims for punitive damages in this arbitration.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby dismissed in their entirety.
2. Each party is to bear its own expenses and attorneys' fees.
3. Forum Fees to be assessed equally between Claimants and Respondents.
4. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code, the arbitrators have determined that the NASD will retain the \$250.00 non-refundable filing fee deposited by Claimants and have assessed the following Forum Fees:

2 Pre-hearing conferences x \$300.00	=	\$ 600.00
14 Hearing sessions x \$1,000.00	=	\$14,000.00
Total Forum Fees	=	\$14,600.00

1. Claimants be and hereby are, jointly and severally, liable and shall pay to NASD Regulation, Inc. the sum of \$7,300.00 representing one-half of the total forum fees assessed. Claimants deposited \$1,000.00 with the NASD, and therefore, Claimants are liable for the balance of \$6,300.00
2. Respondents be and hereby are, jointly and severally, liable and shall pay to NASD Regulation, Inc. the sum of \$7,300.00 representing one-half of the total forum fees assessed.
3. Respondent Goldman be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$500.00 representing the Member Surcharge assessed.
4. Respondent Goldman be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$1,000.00 representing the postponement fee assessed.
5. Respondent Kemper be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$500.00 representing the Member Surcharge assessed.

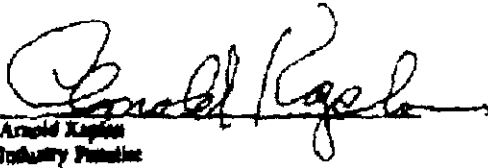
Fees are payable to NASD Regulation, Inc.

ARBITRATORS' SIGNATURES

I, Neil J. Carey, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Neil J. Carey
Public Chairperson

I, Arnold Kaplan, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Arnold Kaplan
Industry President

Date of Decision: December 23, 1997

ARBITRATOR SIGNATURES

I, Neil J. Carey, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Neil J. Carey
Public Chairperson

I, Arnold Kaplan, do hereby affirm pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Arnold Kaplan
Industry Panelist

December 23, 1997
Date of Decision: _____