

AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Paul & Janet Riccobono

Case Number:
96-00893

Name of Respondent

Eton Chambers

REPRESENTATION

Paul and Janet Riccobono (collectively "Claimants") were represented by Donna Russo, Esq. of the law firm of Russo & Kieck, Hackensack, New Jersey.

Eton Chambers ("Respondent") represented himself.

CASE INFORMATION

Claimants' Statement of Claim was filed on February 28, 1996.
Claimant Janet Riccobono's Submission Agreement was signed on February 26, 1996.
Claimant Paul Riccobono's Submission Agreement was signed on February 27, 1996.

Respondent's Statement of Answer was filed on May 23, 1996.
Respondent Eton Chambers's Submission Agreement was signed on June 11, 1996.

HEARING INFORMATION

Pre-Hearing Conference: January 13, 1997 - one session
Hearing Date/Sessions: September 24, 1998 - two sessions
Hearing Location: NASD Regulation, Inc., Office of Dispute Resolution,
New York, New York

CASE SUMMARY

Claimants commenced this arbitration proceeding to recover actual damages in the amount of \$177,110.55 arising from alleged unauthorized trading within Claimants' account administered by Eton Chambers. Claimants alleged, among other things, that Respondent knowingly employed schemes to defraud Claimants through: (1) unauthorized trading without apprising or consulting Claimants prior to investment transactions; (2) recklessly disregarding Claimants' desire for income, security, and growth and thereby trading in options, of which Claimants had very little sophistication and knowledge; and (3) excessively trading in the account to earn commissions. Claimants alleged that but for this conduct, Claimants would not have been involved in these investment transactions and would not have lost their money.

Respondent denied that he committed any wrongdoing alleged in Claimants' Statement of Claim. Respondent asserted that Claimants were sophisticated and knowledgeable investors and understood the risks inherent in the transactions they entered into. Respondent further maintained that the trades were discussed with Claimants before their execution and that all trades were completed at Claimants' behest. Respondent maintained that monthly statements and other communications were provided to Claimants thereby updating and apprising them of each transaction. Moreover, these assertions demonstrated that any losses suffered by Claimants are solely attributable to Claimants' conduct.

RELIEF REQUESTED

Claimants requested actual damages in the amount of \$177,110.55.

Respondent requested that Claimants' claim be dismissed in its entirety, for such other and further relief as the Panel deemed just, and Respondent's costs, expenses and disbursements, including 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 originals remain on file with the NASD Regulation, Inc. ("NASD Regulation").

AWARD

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

1. That Respondent Eton Chambers is liable to Paul and Janet Riccobono and shall pay to them the sum of \$50,000 payable at \$1000 per month for fifty months. The first installment is due to Claimants by December 1, 1998. The balance of \$49,000 shall be payable in 49 monthly installments of \$1000 by the first of every month thereafter. The unpaid balance shall not bear interest. However, should Chambers at any time default upon any installment when due, then the entire unpaid amount shall become due and payable at once, and shall bear interest from that date forward at the rate of 8 percent simple interest per annum until paid.
2. Each Party shall bear their own costs and attorneys' fees, except as costs and forum fees are addressed below.
3. Any and all claims for relief not specifically addressed herein are denied in their entirety.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

Claimants paid a filing fee of \$200 and a hearing session deposit of \$750.

(1 pre hearing conference session with one arbitrator x 300) + (2 hearing sessions x \$750) = \$1800 -
Claimants hearing session deposit of \$750 = \$1050 net due to NASD Regulation, Inc.

Respondent Chambers is assessed forum fees in the amount of \$1050 and the Panel directs Respondent Chambers to reimburse Claimants for their filing fee of \$200 and hearing session deposit of \$750. Forum Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

Date Award Signed

Concurring Arbitrators' Signatures

Oct 9 1998

Robert J. Hyman
Robert J. Hyman, Esq., Chairperson
Public Arbitrator

I, **Robert J. Hyman, Esq.**, 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.

Saverio J. Cina, Panelist
Public Arbitrator

I, **Saverio J. Cina**, 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.

Lionel C. Bandler, Panelist
Public Arbitrator

I, **Lionel C. Bandler**, 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.

Date Award Served by NASD Regulation: October 12, 1998

Respondent Chambers is assessed forum fees in the amount of \$1050 and the Panel directs Respondent Chambers to reimburse Claimants for their filing fee of \$200 and hearing session deposit of \$750. Forum Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

Date Award Signed

Concurring Arbitrators' Signatures

Robert J. Hyman, Esq., Chairperson
Public Arbitrator

I, **Robert J. Hyman, Esq.**, 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.

10/9/98

Saverio J. Cina
Saverio J. Cina, Panelist
Public Arbitrator

I, **Saverio J. Cina**, 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.

Saverio J. Cina

Lionel C. Bandler, Panelist
Public Arbitrator

I, **Lionel C. Bandler**, 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.

Date Award Served by NASD Regulation:

October 12, 1998

Respondent Chambers is assessed forum fees in the amount of \$1050 and the Panel directs Respondent Chambers to reimburse Claimants for their filing fee of \$200 and hearing session deposit of \$750. Forum Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

Date Award Signed

Concurring Arbitrators' Signatures


Robert J. Hyman, Esq., Chairperson
Public Arbitrator

I, **Robert J. Hyman, Esq.**, 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.

Saverio J. Cina, Panelist
Public Arbitrator

I, **Saverio J. Cina**, 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.

10/9/98


Lionel C. Bandler, Panelist
Public Arbitrator

I, **Lionel C. Bandler**, 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.

Date Award Served by NASD Regulation:

October 12, 1998