

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Dominic and Martha Puleo

96-01813

Name of Respondents

Norfolk Securities Corporation  
Kirk Ruffler

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealer, Inc. on April 26, 1996, Claimants Dominic and Martha Puleo ("Claimants"), who appeared Pro Se, alleged that Respondents Norfolk Securities Corporation ("Norfolk") and Kirk Ruffler ("Ruffler") (collectively referred to as "Respondents") made unauthorized trades in their account. Claimants further alleged that on July 6, 1995, Ruffler solicited their purchase of 1,000 shares of Antares Resources Corp. ("ANTR") at \$5.00 per share. Claimants also alleged that between July 6, 1995, and July 20, 1995, they instructed Ruffler to sell the aforementioned shares. Claimants asserted that Ruffler informed them that the sale was completed at \$7.50 a share. Claimants further asserted that Respondents failed to notify them in writing of the sale's confirmation. Claimants also asserted that on July 25, 1995 they received a confirmation slip indicating that Ruffler repurchased 1,000 shares of ANTR without their consent. Claimants contended that they instructed him to sell the stock and send them the proceeds of the sale and confirmations slips. Claimants further contended that when Ruffler failed to act on their requests, they asked him to transfer their account to J.W. Barclay & Co, Inc. Claimants also contended that instead of transferring the stock, Ruffler sold it for \$5.00 a share and a few days later repurchased 700 shares without their authorization. Claimants alleged that on August 9, 1995, Respondents transferred the 700 shares of ANTR to J.W. Barclay & Co. Claimants further alleged that after the transfer was made they were able to sell the stock.

Claimants also alleged that Norfolk is responsible for establishing procedures and for supervising its employees and agents. Claimants asserted that Norfolk failed to properly supervise Ruffler regarding unauthorized purchases and sales. Claimants also asserted that due to the wrongdoing of the Respondents, they suffered damages for which the Respondents should be held liable.

Respondent Kirk Ruffler ("Respondent"), who appeared Pro Se, maintained that Claimants' initial purchase of 1,000 shares of ANTR was sold after the settlement date because they failed to pay on time. Respondent further maintained that on July 24, 1995, 1,000 shares of ANTR were repurchased into Claimants' account at \$6.25 per share. Respondent also maintained that Claimants did not have sufficient funds in their account and refused to send additional money to cover the repurchase price. Respondent contended that because the repurchase of ANTR shares was not paid for, the clearing agent canceled the transaction. Respondent further contended that on August 8, 1995, Claimant's were able

to purchase 700 shares of ANTR and later transferred it to another broker. Respondent also contended that on September 15, 1995, Claimants opened another account with him and again purchased ANTR shares. Respondent maintained that when the Claimants sold their stock on September 28, 1995, they realized a profit of \$1,435.00. Respondent further maintained that he committed no wrongdoing and requested that the claims against him be dismissed.

Respondent Norfolk Securities Corp. ("Respondent") deferred their answer to Ruffler's statement because "its current management was not present at the time in question."

### **RELIEF REQUESTED**

Claimants Dominic and Martha Puleo requested \$5,225.00 in actual damages.

Respondents Kirk Ruffler and Norfolk Securities Corp. requested that the claims of the Claimant be dismissed.

### **AWARD**

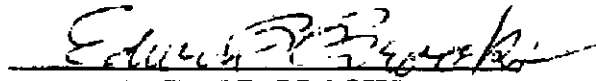
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Edwin P. Brooks was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Dominic and Martha Puleo on April 24, 1996 and by the Respondent Kirk Ruffler on July 17, 1996 and not by Respondent Norfolk Securities Corp as is 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. Respondent Norfolk Securities Corp. is liable and shall pay to the Claimants Dominic and Martha Puleo \$1,450.00 in actual damages.
2. The Claims of the Claimants Dominic and Martha Puleo against Respondent Kirk Ruffler are denied in their entirety.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealer, Inc. by the Claimants Dominic and Martha Puleo shall be retained by the NASD, Inc.

**AFFIRMATION**

I, **EDWIN P. BROOKS**, 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.

  
**EDWIN P. BROOKS**

**Date of Decision: September 26, 1996**