

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Michael Henry Canton

96-02900

Name of Respondents

A.R. Baron & Co. Inc. (Bankrupt)
Kevin McPhee

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers Regulation, Inc., on July 8, 1996, claimant Michael Henry Canton, who appeared Pro Se, alleged that he instructed respondent, A.R. Baron & Co. Inc., ("A.R. Baron") via fax, to sell his 18000 warrants in Laser Video Network ("LVNIZ"). Claimant further alleged that Respondent Kevin McPhee who was responsible for his account was not available, and that Pam Kamen, an employee at A.R. Baron quoted a bid price of \$2.50. Claimant contended that the sale was not processed until July 18, 1995, by which time the bid price had fallen to \$2.00. Claimant further contended that respondents A.R. Baron and Kevin McPhee are liable for the difference between the bid price of July 9th, 1995 and July 18, of 1995.

Respondent A. R. Baron filed a bankruptcy petition and hence is protected by the automatic stay.

Respondent Kevin McPhee failed to file a Statement of Answer.

RELIEF REQUESTED

Claimant Michael Henry Canton requested \$9,000 in actual damages, plus interest from June 9, 1995 and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent A. R. Baron filed a bankruptcy petition and hence is protected by the automatic stay.

Pursuant to Section 10302 of the NASD Code of Arbitration Procedure, Respondent Kevin McPhee was sent the Statement of Claim via regular mail and was given an opportunity to respond which he failed to do. In addition, an overdue answer notice and notice of the identity of the arbitrator were sent via certified mail and the signed return receipt card is on file with the NASD.

Pursuant to the by-laws of the NASD, the arbitrator determined that Respondent Kevin McPhee had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

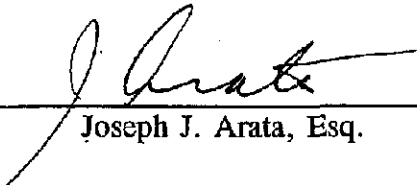
Pursuant Section 10302 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Joseph J. Arata, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 2, 1996 and not by respondent Kevin McPhee as is required by Sections 10301 and 10302 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 Kevin McPhee is liable and shall pay to the Claimant Michael Henry Canton \$9,000.00 in actual damages.
2. Respondent Kevin McPhee is liable and shall pay to the Claimant Michael Henry Canton interest at the rate of 9% per annum from June 9, 1995 to the date of the award.
3. All other relief requests are denied.
4. The \$150.00 filing fee deposited to the NASD Regulation, Inc., by the Claimant Michael Henry Canton shall be retained by the NASD Regulation Inc. Respondent Kevin McPhee is liable and shall pay \$150.00 to the Claimant Michael Henry Canton as reimbursement of the filing fee.

AFFIRMATION

I, **JOSEPH J. ARATA, ESQ.**, do hereby swear or 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.



Joseph J. Arata, Esq.

DATE OF DECISION: January 24, 1997