

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Walter John and Mathilde Berg

96-03133

Name of Respondent

Joseph Parascandolo

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers Regulation, Inc. on July 22, 1996, claimants Walter John Berg and Mathilde Berg ("claimants"), who appeared Pro Se, alleged that on November 10, 1995, Walter Berg received an unsolicited call from Joseph Fadelici ("Fadelici"), a broker at Meyers, Pollock & Robbins, Inc., which resulted in the purchase of 500 shares of Bureau of Electronic Publishing, Inc. ("BEPI") at \$7.00 per share. Claimants indicated that they decided to buy BEPI on condition that Fadelici would sell if BEPI's value decreased. Claimants further alleged that Fadelici told him that the value of the stock would increase and also agreed that he would put a "mental stop loss of 1/2 point". Claimants also alleged that on November 21, 1995 Fadelici recommended that they purchase 1000 more BEPI at \$6 15/16, which they did.

Claimants further alleged that on January 23, 1996, broker Joseph Parascandolo ("respondent") called to indicate that he was taking over the account from Fadelici. Claimant Walter Berg indicated that he reiterated his concern that BEPI should be sold if the value reached \$7, since he did not want to lose money. Claimants asserted that whenever they inquired about BEPI, respondent gave glowing and positive statements about the company. Claimants indicated that respondent further recommended the purchase of BEPI warrants in order to "leverage his position". Claimants also asserted that his contention with respondent began when BEPI's value decreased and respondent failed to sell between April 4, 1996 and April 8, 1996. Claimants contended that as of April 16, 1996 he complained to John Catalano and tried to get the dispute resolved, to no avail.

Respondent Joseph Parascandolo, who appeared Pro Se, maintained that he began handling claimants' account about January 23, 1996 and was briefed on claimants' awareness of the risks involved in small cap stocks. Respondent further maintained that he subsequently provided claimants with a quote on BEPI and informed him that the President of Bureau of Electronic Publishing, at a meeting between himself and the Vice President of Meyers Pollock Robbins, Inc., mentioned pending contracts which, if signed, should allow BEPI to act favorably. Respondent also maintained that on March 5, 1996 he recommended and claimant purchased 1000 shares of MMTS stock. Respondent asserted that on April 3, 1996 he recommended and claimants purchased 1000 BEPI warrants with the proceeds from the sale of MMTS. Respondent further asserted that on April 4, 1996, he agreed that BEPI would be sold if it reached \$6 1/4. Respondent contended that on April 15, 1996, claimant called and indicated that BEPI could have been sold at \$6 1/4 between April 4, 1996 and April 8, 1996. Respondent further contended that to the best of his knowledge, BEPI did not bid at \$6 1/4. Respondent averred that on April 16, 1996, Branch Manager John Catalano, informed him that he was no longer handling claimants' account.

RELIEF REQUESTED

Claimants Walter John Berg and Mathilde Berg requested \$5,960.00 in actual damages.

AWARD

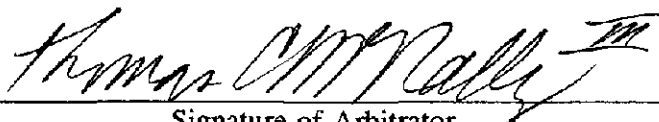
Pursuant to Section 10302 of the NASD Code of Arbitration Procedure, a single Public Arbitrator, Thomas C. McNally III, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Walter John Berg and Mathilde Berg on July 17, 1996 and by Respondent Joseph Parascandolo on September 3, 1996.

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. The claims of claimants Walter John Berg and Mathilde Berg against respondent Joseph Parascandolo are dismissed in their entirety.
2. All other relief requests are denied.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers Regulation, Inc. by the Claimants Walter John Berg and Mathilde Berg shall be retained by the NASD Regulation, Inc.

AFFIRMATION

I, THOMAS C. MCNALLY III, ESQ., 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.



Signature of Arbitrator

DATE OF DECISION: January 22, 1997