

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Eric Vitola

96-04744

Name of Respondents

Corporate Securities Group, Inc.  
William Braun  
Thomas Campo

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**CASE SUMMARY**

In a case filed with National Association of Securities Dealers Regulation, Inc. on October 24, 1996, claimant Eric Vitola ("Vitola"), who appeared Pro Se, alleged that respondents Corporate Securities Group, Inc. ("CSG"), William Braun ("Braun") and Thomas Campo ("Campo") failed to follow his instructions. Claimant further alleged that Campo and Braun persuaded him to withdraw money from the Putnam Growth Fund ("PGF") and invested with them. Claimant also alleged that on September 11, 1992, he bought Chippewa Resources Corporation Department Operations ("Chippewa") at \$1.50 a share. Claimant asserted that on November 12, 1992, Chippewa did a reverse split to Underwriters Financial Group and was never told that this was happening. Claimant further asserted that he told the brokers that if the stock was to drop they were to call him. Claimant also asserted that he tried several times to call them and they never returned his calls. Claimant contended that he specifically told them he could not lose this money and was advised he would double his money.

Respondents CSG and Braun (collectively referred to as "respondents") through their representative and in-house counsel Gregory Tendrich, Esq., maintained that CSG does not operate through the services of full-time employees, rather they operate through brokers who are independent business men and women affiliated with CSG as independent contractors. Respondents further maintained that claimant's investment objective on his new account card was growth, trading profits and speculation. Respondents also maintained that claimant authorized and approved all of the trading in his account. Respondents contended that all securities sold to claimant were suitable in light of claimant's investment objectives, income, net worth and investment experience. Respondents further contended that claimant failed to mention that he had purchased another security in his account, which made a small profit. Respondents also contended that claimant received, on a monthly basis, account statements which documented the activity, including price appreciation and depreciation. Respondents maintained that Braun inherited the account when Campo left CSG and only executed one trade in the account, an unsolicited sale on August 9, 1993.

Respondent Campo did not file an Answer to the Statement of Claim.

### **RELIEF REQUESTED**

Claimant Eric Vitola requested \$2,519.00.

Respondents CSG and Braun requested that the claims of claimant be dismissed in their entirety, plus costs and attorneys' fees incurred in defending this frivolous action.

Respondent Campo did not file an Answer to the Statement of Claim.

### **OTHER ISSUES CONSIDERED & DECIDED**

In accordance with Rule 10302 of the Code of Arbitration Procedure, respondent Thomas Campo was served by regular mail and given an opportunity to respond, which he failed to do. In addition, notice of overdue answer and notification of Arbitrator's identity was effected upon respondent Thomas Campo by certified mail, as evidenced by the signed signature card on file at NASD Regulation, Inc.

Pursuant to the By-laws of the NASD Regulation, the arbitrator, determined that respondent Thomas Campo, 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**

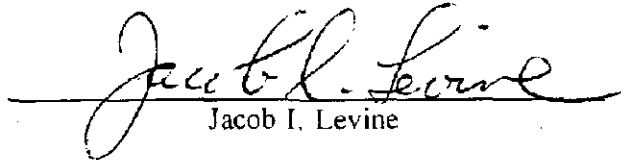
Pursuant to Rule 10302 of the Code of Arbitration Procedure, a single Public Arbitrator Jacob Levine, was selected to review the matter in controversy between the parties set forth in Submissions to Arbitration signed by claimant Eric Vitola on October 17, 1996 and by respondent CSG on December 24, 1996 and Braun on December 24, 1996. Respondent Thomas Campo did not execute a Submission Agreement as required by Rules 10301 and 10302 of the 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 Corporate Securities Group be and hereby are liable and shall pay claimant the sum of \$2,519.00
2. The claims of claimant Eric Vitola against Thomas Campo and William Braun are dismissed in their entirety.
3. All other relief requests are denied.
4. The \$125.00 filing fee previously deposited with National Association of Securities Dealers Regulation, Inc. shall be retained by NASD Regulation, Inc. Respondent Corporate Securities Group be and hereby is liable and shall pay claimant the sum of \$125.00 as reimbursement of the filing fee.

**AFFIRMATION**

I, **Jacob Levine**, do hereby affirm upon my oath as arbitrator that I am the individual describe herein who executed this instrument, which is my oath and award

  
Jacob I. Levine

Date of Decision: April 30, 1997