

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Peter H. Stockmann

96-04746

Names of Respondents

**Euro-Atlantic Securities, Inc.
J.P. Milligan, Inc.
Alphonse Seddio, Jr.**

REPRESENTATION

Claimant Peter H. Stockman ("Claimant") appeared pro se.

For Respondent Euro-Atlantic Securities, Inc. ("Euro-Atlantic") appeared Robert Carlin, Esq., in-house counsel for Respondent Euro-Atlantic located in New York, New York.

For Respondent J.P. Milligan, Inc. ("J.P. Milligan") appeared Daniel Gildin, Esq. of the law firm Kaufmann Feiner Yamin Gildin & Robbins located in New York, New York.

For Respondent Alphonse Seddio, Jr. ("Seddio") appeared Michael H. Ference, Esq. of the law firm Lampert & Lampert located in New York, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on October 17, 1996. Claimant's Submission Agreement was signed on October 18, 1996.

A Statement of Answer was filed by Respondent Euro-Atlantic on December 11, 1996. Respondent Euro-Atlantic's Submission Agreement was signed on December 9, 1996.

A Statement of Answer was filed by Respondent J.P. Milligan on December 23, 1996. Respondent J.P. Milligan's Submission Agreement was signed on December 23, 1996.

A Statement of Answer was filed by Respondent Seddio on December 9, 1996. Respondent Seddio's Submission Agreement was signed on December 4, 1996.

HEARING INFORMATION

Pre-Hearing Conferences:	November 6, 1997	-	One Session
	January 8, 1998	-	One Session
Hearing Date/Sessions:	February 4, 1998	-	Two Sessions

The hearing was conducted at the Holiday Inn Turf Hotel located in Albany, New York.

CASE SUMMARY

Claimant alleged that, in May 1995, Respondent Seddio, acting as an agent for L.T. Lawrence, solicited and offered to become a stockbroker for him. Claimant also alleged that, as Respondent Seddio changed employment from L.T. Lawrence to Respondent J.P. Milligan to Respondent Euro-Atlantic, he transferred his account and followed Respondent Seddio from brokerage firm to brokerage firm. Claimant further alleged that he represented to Respondent Seddio on numerous occasions that he did not wish to be involved with high-risk securities.

Claimant asserted that Respondents Seddio, J.P. Milligan and Euro-Atlantic, collectively "Respondents," purchased high-risk securities for his investment portfolio, and, in doing so, failed to follow his instructions to avoid high risk investments. Claimant also asserted that Respondents were careless, grossly negligent and reckless in the handling of his securities. Claimant further asserted that Respondents breached their fiduciary duties and engaged in common law fraud by their acts, practices, representations and omissions. Claimant contended that the actions of Respondents violated state and/or federal securities laws, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Commodity Exchange Act and/or the Racketeer Influenced and Corrupt Organization Act of 1970.

Respondents Euro-Atlantic and Seddio denied the allegations in Claimant's Statement of Claim, and denied any and all liability claimed by Claimant from alleged misrepresentation, fraud, unsuitable investment recommendations, failure to sell or in any other manner in connection with the transactions effected for or through Claimant's account. Respondents Euro-Atlantic and Seddio also denied that they did not act in conformity with accepted industry standards and practices with respect to the handling of Claimant's account. Respondents Euro-Atlantic and Seddio maintained that they properly discharged their duties, responsibilities and obligations and in all respects acted in accordance with applicable law as well as accepted industry standards and practices. Respondent Seddio denied that he recommended the purchase or sale of unsuitable securities to claimant, and denied that he misrepresented or failed to disclose material facts concerning Claimant's investments.

Respondent J.P. Milligan maintained that it never received a written or verbal complaint from Claimant until it received his Statement of Claim. Respondent J.P. Milligan also maintained that it did not have discretionary authority over Claimant's account, but rather, Claimant authorized all transactions in his account. Respondent J.P. Milligan further maintained that Claimant is an experienced investor, with at least ten years of investment experience, and had sufficient knowledge and experience to make his own investment decisions. Respondent J.P. Milligan

denied Claimant's allegations of negligence, breach of fiduciary duty, fraud, and violations of state and federal securities laws.

RELIEF REQUESTED

Claimant requested an award against each and every Respondent, both corporate and individual, jointly and severally, for compensatory damages in the amount of \$12,035.00, all costs, expenses and disbursements of claimant, and for such other and further relief as the NASD deemed just and proper.

Respondents Euro-Atlantic and Seddio requested that the claims be dismissed in their entirety and such further relief as was just.

Respondent J.P. Milligan requested that the panel dismiss this case of arbitration against Respondent J.P. Milligan.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

During the hearing, the arbitrator allowed Claimant to make an oral amendment to the Statement of Claim pursuant to Rule 10328 of the NASD Code of Arbitration Procedure (the "Code"). Claimant added that Pilot Transport, the subject security, was worthless when sold and the subject of stock manipulation. Respondents objected to this amendment on the basis of prejudice and unfair surprise to Respondent J.P. Milligan.

Respondent J.P. Milligan is now known as Quantum Group, Ltd. ("Quantum"). The award rendered is against Quantum Group, Ltd. (formerly known as J.P. Milligan).

AWARD

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

1. J.P. Milligan, now known as Quantum, is hereby liable for and shall pay to Claimant compensatory damages in the sum of \$2,690.00, plus interest at the rate of 9% per annum beginning from the date of the award.
2. All claims against Respondents Euro-Atlantic and Seddio are denied.
3. The parties shall bear their respective costs, including attorneys' fees.
4. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrator has determined that NASD Regulation, Inc. shall retain the \$100.00 non-refundable filing fee and \$300.00 postponement fee previously submitted by Claimant, and has assessed the following forum fees:

2 Pre-hearing conferences x \$300.00 = \$ 600.00

2 Hearing sessions x \$300.00 = \$ 600.00

Total Forum Fees = \$1,200.00

1. Claimant is hereby liable for and shall pay the sum of \$600.00, representing one-half of the total amount of forum fees assessed for the hearings conducted in this matter. Claimant previously deposited the sum of \$300.00, therefore, Claimant shall pay the balance of \$300.00 to NASD Regulation, Inc.
2. Quantum is hereby liable for and shall pay to NASD Regulation, Inc. the sum of \$600.00, representing one-half of the total amount of forum fees assessed for the hearings conducted in this matter.
3. Respondent Euro-Atlantic is hereby liable and shall pay to NASD Regulation, Inc. the sum of \$200.00, representing the member surcharge.
4. Respondent Quantum is hereby liable and shall pay to NASD Regulation, Inc. the sum of \$200.00, representing the member surcharge.
5. Respondent Seddio is hereby liable and shall pay the sum of \$900.00, representing fees for the postponement of the September 4, 1997 (\$300.00) and January 16, 1998 (\$600.00) hearings. Respondent Seddio has not submitted the sum of \$900.00, and, therefore, owes the postponement fees.

Fees are payable to NASD Regulation, Inc.

Arbitrator's Signature

Lorraine I. Remo

Lorraine I. Remo, Esq.
Public Arbitrator

I, Lorraine I. Remo, 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.

Lorraine I. Remo

Lorraine I. Remo, Esq.

Date of decision: April 7, 1998