

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Dennis M. Keller

96-04789

Name of Respondents

First Hanover Securities, Inc.  
Gregory Ricca

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CASE SUMMARY

In a case filed with the National Association of Securities Dealers Regulation, Inc. on October 28, 1996 Dennis M. Keller ("claimant"), who appeared Pro Se, alleged that he was a Vietnam War veteran on a disability retirement and that in March 1996 Gregory Ricca ("Ricca") a registered representative of First Hanover Securities, Inc. ("Hanover"), used high pressure tactics to persuade him to open an account and purchase stocks. Claimant further alleged that he told Ricca he could not afford to lose money by investing in high risk stocks and that he wanted to go very slow and try to invest in just one stock, but Ricca would call him five times a day and as a result he sustained substantial losses on three stocks - Track Data Corp., Smith Midland, and Forward Industries. Claimant asserted that, on August 2, 1996, he learned that Commodore Holdings ("Commodore") had been purchased and then sold on his account and that he never authorized the purchase of Commodore and then, on July 31, 1996, Ricca, with out authorization, sold 145 shares of Forward Industries to make up for the Commodore losses. Claimant contended that the three stocks Ricca sold him were very high risk and not suitable for him and that he did not act in his best interest.

Respondents Hanover and Ricca (collectively the "respondents"), through there representative and counsel Charles M. O'Rourke, Esq. located in Garden City, New York, maintained that claimant represented himself to be a former financial analyst with over ten years trading experience and an annual income of \$80,000.00 with over \$500,000.00 net worth (exclusive of his home) with \$100,000.00 to invest in risk oriented securities. Respondents further maintained that claimant stated his investment objectives as capital appreciation, income and speculation and that all of the trades complained of were suitable and appropriate. Respondents also maintained that claimant received confirmation for the purchases and he did not complain until his stocks lost money. Respondents contended that claimant's claims should fail on the grounds of waiver, ratification, estoppel and assumption of risk.

RELIEF REQUESTED

Claimant requested an award of \$10,000.00.

Respondents requested that claimant's claims be dismissed and that all forum fees, costs and reasonable attorneys fees be assessed against the claimant.

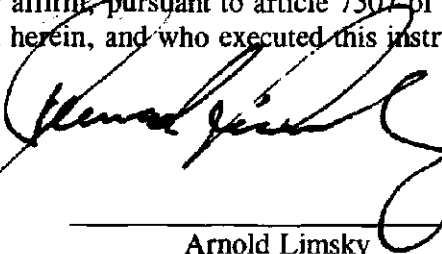
AWARD

Pursuant to Rule 10302 of the Code of Arbitration Procedure, a single Public Arbitrator, Arnold Limsky, was selected to review the matter in controversy between the parties set forth in the Submission to Arbitration signed by claimant Dennis M. Keller on October 23, 1996 and by respondent Hanover and Ricca on December 9, 1997. 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. Respondents First Hanover Securities, Inc. and Gregory Ricca be and hereby are jointly and severally liable and shall pay to the Claimant Dennis M. Keller \$1,075.63.
2. All requests for attorney fees are denied.
3. All other requests for relief are denied.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers Regulation Inc. by claimant shall be retained by NASD Regulation, Inc. and the respondents are jointly and severally liable and shall pay to claimant \$150.00 as reimbursement of the filing fee.

AFFIRMATION

I, Arnold Limsky, 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.

  
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Arnold Limsky

A # 10970

Date of Decision: June 4, 1997