

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimants

Blaise Gerrato

96-05137

Name of Respondents

Sterling Foster & Co.

REPRESENTATION

Claimant Blaise Gerrato ("Claimant") appeared *pro se*.

For Respondent Sterling Foster & Co. ("Sterling Foster") appeared Justin Sacca, Esq. of the Law Office of Joseph D'Elia located in Huntington, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on November 15, 1996.

Claimant's Submission Agreement was signed on November 14, 1996.

Sterling Foster's Statement of Answer was filed on February 11, 1997.

Sterling Foster did not sign a Submission Agreement.

HEARING INFORMATION

Hearing Dates/Sessions:	July 15, 1997	-	1 session
	September 5, 1997	-	1 session
	May 12, 1998	-	1 session

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that, in August, 1995, he received a cold call from a broker at Sterling Foster and was coerced into buying 500 shares of Communication Technology Co. ("Com/Tech"). Claimant further alleged that he received another call from the same broker the following week and was pressured to buy an additional 1,000 shares of Com/Tech. Claimant maintained that he purchased these additional shares only after being advised that a major announcement was to be made that would drive up the price of the stock. Claimant alleged that, in October of the same year, the broker pushed yet another hot stock called Advance Voice Technology which Claimant purchased. Claimant maintained that, throughout the remainder of 1995, he was anxious about these investments and expressed this to his broker. Claimant alleged that, in January, 1996, when the price of Com/Tech began to dip, he again expressed his concerns to his broker. He alleged that the broker assured him on both occasions the price of the stock would rise again.

Claimant also alleged that, in September, 1996, the broker contacted him about a company called Applewoods. Claimant maintained that he advised the broker that he had bills pending and did not want to invest, but the broker pleaded with him to buy 400 shares at \$6 a share. Claimant further maintained that he was advised that a stop loss order would be entered at \$5 7/8 to protect the investment. Claimant stated that a month later the stock was at \$2 1/2 and no stop loss order was ever entered.

Sterling Foster maintained that Claimant failed to state specific allegations of wrongdoing in the Statement of Claim. Sterling Foster further maintained that all transactions in Claimant's account were executed in accordance with the rules and regulations of the various regulatory organizations.

RELIEF REQUESTED

Claimant requested compensatory damages of \$33,833.00 and punitive damages in the amount of \$12,500.00, plus interest and arbitration expenses.

Sterling Foster requested that the case be dismissed in its entirety and that it be awarded the costs of defending the arbitration.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

The panel made the following determinations concerning Sterling Foster, who did not file a Submission Agreement and did not appear at the hearing in this matter:

1. Pursuant to Rule 10101 of the Code of Arbitration Procedure (the "Code"), the arbitrators found subject matter jurisdiction over this entire controversy.

2. The panel found that Sterling Foster was a member of the NASD at the time this controversy arose. Accordingly, the panel found jurisdiction over Sterling Foster pursuant to Rule 10301 of the Code.
3. The panel found that Sterling Foster was required to file a Submission Agreement with NASD Regulation pursuant to Rule 10314(b) of the Code. In this regard, the panel found that the Statement of Claim was properly served upon Sterling Foster pursuant to Rule 10314 (a) of the Code.
4. In addition, in accordance with Rules 10310, 10315 and 10318 of the Code, the panel found that NASD Regulation provided Sterling Foster with "due notice" of the hearing conducted in this matter by regular and certified mail. The panel further determined to proceed with the hearing without Sterling Foster whose absence was unexcused.

AWARD

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

1. Sterling Foster is liable and shall pay Claimant \$28,851.50 in compensatory damages.
2. Claimant's request for punitive damages is denied.
3. Sterling Foster shall pay to Claimant the sum of \$400.00 as reimbursement of the hearing session deposit previously deposited by Claimant with NASD Regulation, Inc.
4. All other requests for relief are hereby denied.

OTHER COSTS

Pursuant to Rule 10333 of the Code of Arbitration Procedure, Sterling Foster shall pay to NASD Regulation, Inc. the \$200.00 past due member surcharge previously invoiced.

FORUM FEES

Pursuant to Rule 10332(c) of the NASD Regulation Code of Arbitration Procedure, the arbitrators have determined that the NASD will retain the \$120.00 non-refundable filing fee paid by Claimant and have assessed the following forum fees:

3 Hearing Sessions @ \$400.00 per session = \$1,200.00

Respondent Sterling Foster be and hereby is liable for the sum of \$1,200.00, representing the total forum fees assessed. Claimant previously deposited \$400.00 with NASD Regulation, Inc. therefore, Respondent shall pay the sum of \$800.00 to NASD Regulation, Inc. and shall reimburse Claimant the sum of \$400.00 as provided in the "Award" section above.

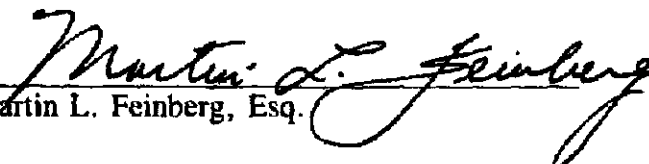
ARBITRATION PANEL

Martin L. Feinberg, Esq. - Public Chairperson
Harry Weiss - Public Arbitrator
Sidney D. Krasner - Industry Arbitrator


Martin L. Feinberg, Esq.
Chairperson-Public Arbitrator


Date of decision: _____

I, **Martin L. Feinberg**, 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.


Martin L. Feinberg, Esq.

ARBITRATION PANEL


Martin L. Feinberg, Esq. - Public Chairperson
Harry Weiss - Public Arbitrator
Sidney D. Krasner - Industry Arbitrator



Sidney D. Krasner
Industry Arbitrator

Date of decision: _____


I, Sidney D. Krasner, 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.



Sidney D. Krasner

ARBITRATION PANEL

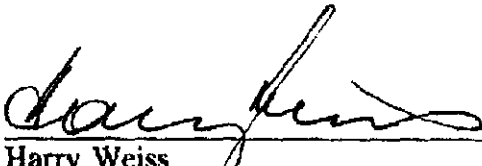
Martin L. Feinberg, Esq. - Public Chairperson
Harry Weiss - Public Arbitrator
Sidney D. Krasner - Industry Arbitrator



Harry Weiss
Public Arbitrator

Date of decision: _____

I, **Harry Weiss**, 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.



Harry Weiss