

NASD REGULATION, INC. AWARD

OFFICE OF DISPUTE RESOLUTION

In the Matter of the Arbitration Between

Name of Claimants

Darlyn and Steve Romagnolo

96-05355

Name of Respondents

Peter Bruno
Wall Street Money Management Group Inc.
Wall Street Money Center Corporation

REPRESENTATION

For Claimants Darlyn and Steve Romagnolo ("Claimants") appeared Robert Fitzpatrick, Esq., in private practice located in Clifton Park, NY.

For Respondents Peter Bruno ("Bruno"), Wall Street Money Management Group, Inc. ("WSMMG"), and Wall Street Money Center Corp. ("WSMCC") appeared Frank J. Cuccio, Esq., of Bressler Amery and Ross, located in Morristown, NJ.

CASE INFORMATION

Statement of Claim was filed on: January 13, 1997
Claimants' Submission Agreement was signed on November 26, 1996.

Joint Statement of Answer was filed by Respondents Bruno, WSMMG, and WSMCC on: March 31, 1997

Respondent Bruno, Chairman and CEO of WSMMG and WSMCC, executed Submission Agreement signed on: April 21, 1997

HEARING INFORMATION

Hearing Dates/Sessions:

July 28, 1997
July 29, 1997

Two Sessions
One Session

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

CASE SUMMARY

Claimants alleged that Respondent Bruno, who is the Chairman and CEO of Respondents WSMMG and WSMCC, engaged in unsuitable trading, failure to supervise their account, and churning. Claimants alleged that the investments purchased for them were unsuitable in that they: did not meet the needs or objectives of Claimants, were high to above average risk, had little diversity, and the funds were purchased with no intention of holding them for the long term. Claimants alleged that the Respondents had no checks and balance system in place to supervise the suitability and the frequency of the trading in their account. Claimants alleged that Respondents used their account to generate income for themselves, with disregard for the Claimants' investment needs or objectives.

Respondents denied each allegation in the Statement of Claim. Respondents maintained that the trades were suitable for the investment objective, a growth mutual fund, that the Claimants had chosen upon opening their account. Respondents maintained that Respondent Bruno was properly supervised at all times and the activity in the account was monitored daily. Respondents maintained that when Claimants closed their account they had realized a profit on their initial investment.

Respondents offered the following affirmative defenses: 1) the causes of action asserted in the Claim are barred by the applicable statute of limitations; 2) Claimants are barred from recovery by the theories of estoppel, waiver, ratification, and/or laches; 3) alleged damages were caused in whole or part or were contributed to by the negligence of Claimants; 4) as a matter of law Claimants are not entitled to recover their costs and attorney's fees in this matter; and 5) Claimants are not entitled to recover damages based upon a "loss of income or gain" in this matter.

RELIEF REQUESTED

Claimants requested an award in the amount of \$44,851.46, as well as attorney fees, court costs, and any other relief that the panel deems just and fair.

Respondents requested that the Statement of Claim be dismissed with prejudice, and that all costs incurred by Respondents be assessed against Claimants.

OTHER ISSUES CONSIDERED & DECIDED

1. 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(s) remain on file with the NASD.
2. At the hearing the Claimants amended their Statement of Claim revising their requested damages from \$44,851.46 to \$43,536.00, no objections were raised by the Respondents and the panel accepted the amendment.

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) The Claimants request for damages are dismissed in their entirety.
- 2) All requests for attorney's fees are denied.
- 3) The parties shall bear their respective costs, including attorneys' fees.
- 4) All other requests for relief are denied.

FORUM FEES

Pursuant to Rule 10332 of the NASD Regulation, Inc. Code of Arbitration Procedure, the arbitrators have decided that NASD Regulation, Inc., will retain the \$120.00 non-refundable filing fee previously paid by the Claimants, as well as, the \$200.00 member surcharge previously paid by Respondent Wall Street Money Center Corp., and assessed the following Forum Fees:

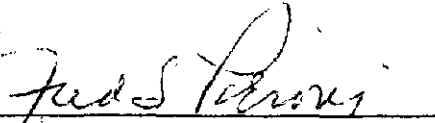
Total Forum Fees (3 Sessions x \$400.00) = \$1,200.00

- 1) Claimants are assessed the sum of \$600.00 representing one-half of the total forum fees assessed. Claimants previously deposited \$400.00 with NASD Regulation, Inc., therefore, Claimants are liable and shall pay to NASD Regulation, Inc. the sum of \$200.00.
- 2) Respondents are hereby liable and shall pay to NASD Regulation, Inc. the sum of \$600.00 representing one-half of the total forum fees assessed.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS' SIGNATURES

I, Fred S. Pieroni, 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.



Fred S. Pieroni
Public Chairperson

I, Sandra D. Parker, 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.

Sandra D. Parker
Public Panelist

I, John J. O'Niell, 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.

John J. O'Niell, Esq.
Industry Panelist

Date of Decision: December 31, 1997

ARBITRATORS' SIGNATURES

I, Fred S. Pieroni, 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.

Fred S. Pieroni
Public Chairperson

I, Sandra D. Parker, 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.

Sandra D. Parker
Public Panelist

I, John J. O'Niell, 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.



John J. O'Niell, Esq.
Industry Panelist

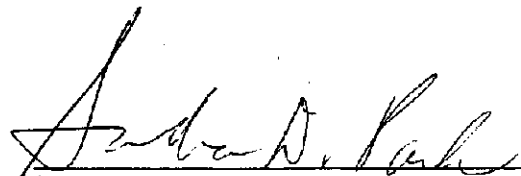
Date of Decision: December 31, 1997

ARBITRATORS' SIGNATURES

I, Fred S. Pieroni, 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.

Fred S. Pieroni
Public Chairperson

I, Sandra D. Parker, 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.



Sandra D. Parker
Public Panelist

I, John J. O'Niell, 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.

John J. O'Niell, Esq.
Industry Panelist

Date of Decision: December 31, 1997