

NASD REGULATION, INC. AWARD

OFFICE OF DISPUTE RESOLUTION

In the Matter of the Arbitration Between

Name of Claimant

Emerson D. Callahan

96-05378

Name of Respondents

Guisseppi Joseph Bonetti
Fred E. Plan
Euro-Atlantic Securities, Inc.

REPRESENTATION

Claimant Emerson D. Callahan ("claimant") appeared pro se.

Respondent Guisseppi Joseph Bonetti ("Bonetti") did not appear at the hearing.

Respondent Fred Plan ("Plan") appeared pro se.

Respondent Euro-Atlantic Securities, Inc. ("Euro") did not appear at the hearing.

CASE INFORMATION

Statement of Claim filed: December 4, 1996.

Amended Statement of Claim filed: December 17, 1996.

Claimant's Submission Agreement signed on: December 2, 1996.

Statement of Answer filed by Respondent Bonetti on January 2, 1997.

Respondent Bonetti's Submission Agreement signed on: December 30, 1996.

Joint Statement of Answer filed by Respondents Plan and Euro on: January 22, 1997.

Respondents Plan and Euro did not execute Submission Agreements pursuant to Rule 10314 of the Code of Arbitration Procedure.

HEARING INFORMATION

Hearing Date/Sessions: June 26, 1997/ One Session

Hearing Location: Offices of NASD Regulation, Inc., New York, New York.

CASE SUMMARY

Claimant alleged that Respondent Bonetti, a Euro employee, agreed to sell him 500 shares of an initial public offering ("IPO") of a small cap stock, Hollywood Productions Inc. ("Hollywood") and place a stop loss order on the shares at \$10.00 per share. Claimant further alleged that, after accepting and cashing claimant's check for \$2500.00, Bonetti failed to execute the agreed upon transaction. Claimant asserted that he was advised by Euro's main office that Bonetti purchased only 100 shares of Hollywood for claimant's account and that \$2000.00 was reflected as cash. Claimant alleged that, he complained to Bonetti who then promised he would purchase the additional 400 shares for claimant. When claimant did not receive a purchase confirmation, he complained to Respondent Plan, Compliance Officer for E.U.. Claimant alleged that, although he promised to call him back, Plan never returned his call.

Claimant further asserted that he was subsequently informed by Bonetti that he could not purchase the additional 400 shares. Claimant alleged that he then advised Bonetti to sell the 100 shares Bonetti had previously purchased for claimant's account. Claimant maintained that the shares were not sold for over a week. Claimant also asserted that he ultimately received a check in the amount of \$2937.50 from Euro covering the proceeds of the sale of his shares of Hollywood and the remaining \$2000.00 in his account.

Respondents Plan and Euro contended that claimant's Statement of Claim had no merit. Plan and Euro also maintained that Euro's failure to liquidate the 100 shares in claimant's account was a clerical error which did not result in any loss to claimant. Additionally, Plan and Euro alleged that the firm absorbed all costs associated with the sell order in an effort to compensate the claimant for the firm's oversight. Plan and Euro asserted that claimant's demand for damages was without foundation.

Respondent Bonetti maintained that an indication of interest in an IPO is not a firm order and the firm is not under any obligation to complete such an order. Bonetti alleged that claimant authorized the sale of the 100 shares of Hollywood in his account. Bonetti also asserted that claimant had assumed the risks incident to investing in the securities market. Bonetti contended that any damages claimant may have suffered were caused by the unanticipated allocations of the Hollywood stock which were beyond his control. Bonetti also asserted that, in discharging his duties to claimant, he acted in good faith and exercised diligence and the degree of care of an ordinary prudent person.

RELIEF REQUESTED

Claimants Amended Statement of Claim requested \$2060.00 representing the net profit that would have been received on the sale of 500 shares of Hollywood and \$440.00 in damages due to the false statements allegedly made by Bonetti, the failure to timely sell the stock and the loss of time and expenses associated with traveling to Bonetti's office in New York City to resolve the matter.

Respondent Bonetti requested dismissal of the Statement of Claim in its entirety.

Respondents Plan and Euro requested dismissal of the Statement of Claim in its entirety.

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 NASD Regulation, Inc.

AWARD

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

1. Respondent Bonetti be and hereby is liable and shall pay to claimant Callahan the sum of \$2500.00;
2. The Statement of Claim as to Respondents Plan and Euro is dismissed.
3. All other relief requests are denied.

FORUM FEES

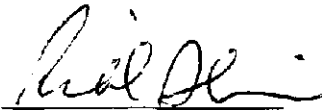
Pursuant to Rule 10332 of the Code of Arbitration Procedure, the arbitrator has determined that NASD Regulation, Inc. shall retain the \$25.00 non-refundable filing fee and has assessed the following Forum Fee:

1 session X \$25.00 = \$25.00 minus claimant's hearing session deposit of \$25.00 = zero net due.

Respondent Bonetti be and hereby is liable and shall pay \$25.00 representing 100% of the forum fees assessed. Respondent Bonetti owes claimant \$25.00.

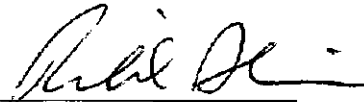
Concurring Arbitrators' Signatures

Name



Richard Slavin, Esq.

I, Richard Slavin, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who have executed this instrument which is my award.



Richard Slavin, Esq.

Date of decision: July 9, 1997