

**NASD REGULATION, INC.**

In the Matter of the Arbitration Between

Name of Claimant

Superior Reporting Services, Inc.

vs.

Case No.  
96-05389

Name of Respondents

Euro-Atlantic Securities Inc.  
Michael Payne

**REPRESENTATION**

For Claimant, Superior Reporting Services, Inc. ("Claimant"), Roberta Newberry, from Roswell, Georgia.

For Respondent, Euro-Atlantic Securities, Inc. ("Euro-Atlantic"), James St. Claire of Boca Raton, Florida. (See "Other Issues Considered and Decided" portion of this decision).

Respondent, Michael J. Payne ("Payne"), appeared pro se.

**CASE INFORMATION**

Statement of Claim was filed on November 29, 1996.

Claimant's Submission Agreement was signed on November 26, 1996.

Respondent Euro-Atlantic's Statement of Answer was filed on January 29, 1997.

Euro-Atlantic's Submission Agreement was signed on January 22, 1997.

Respondent Payne did not file a Statement of Answer or execute a Submission Agreement. (See "Other Issues Considered and Decided" portion of this decision.)

**HEARING INFORMATION**

Hearing Date/Sessions: July 14, 1997 - 2 sessions

Hearing Location: NASD Regulation offices, located in Atlanta, Georgia.

**CASE SUMMARY**

Claimant alleges that Respondent Payne solicited the purchase of \$10,000 Multimedia Concepts, Inc. warrants at \$2.25 per warrant for a total of \$22,521.00. Claimant also alleges that Respondent Payne was unable to purchase 10,000 warrants and instead purchased 7,500 and remitted the overpayment to Claimant with interest. Claimant further alleges that prior to the purchase Respondent Payne represented that Claimant would hold the warrants for two to four weeks and later confirmed a sale date of August 14, 1996. Claimant states that on August 19, 1996, Respondent Payne said that the warrants had not

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been sold and represented that they would be sold that day. Claimant also states that Respondent Payne represented that the warrants were sold on August 20, 1996 at 3.50 net and promised to sent Claimant the proceeds on August 26, 1996. Claimant further states that on August 27, 1996, Respondent Payne again admitted that the warrants had not been sold and were not sold until October 14, 1996, causing Claimant to sustain a loss of \$10,781.25 instead of a profit of \$9,375. Claimant contends that Respondents breached federal and state law.

Respondent Euro-Atlantic denies liability to Claimant, denies that it failed to execute claimant's order and asserts six affirmative defenses. Respondent Euro-Atlantic contends that Payne had advised Euro-Atlantic that Claimant placed a limit order to sell 7,500 multimedia warrants at \$3.50, "all or none". Euro-Atlantic also contends that a review of its records indicates that no order was ever submitted to its trading department for execution.

As previously stated, Payne did not file an Answer.

### **RELIEF REQUESTED**

Claimant requests an award of \$20,156.25, plus interest, costs and attorney's fees, punitive damages for regulatory sanctions against Respondent Euro-Atlantic Securities, Inc. and for such further relief as may be just and proper under the facts of the proceedings.

Respondents request that claims be dismissed and Euro-Atlantic requests that all arbitration fees, costs and attorney's fees should be assessed against Claimant.

### **OTHER ISSUES CONSIDERED & DECIDED**

The parties present at the hearing have agreed to receive conformed copies of the Award while the original remain on file with NASD Regulation, Inc.

Although Euro-Atlantic filed an answer by its attorneys Lampert & Lampert who are located in New York, New York, Euro-Atlantic did not appear at the hearing. Based upon NASD Regulation's file concerning notice to the parties, this panel proceeded with the hearing in Euro-Atlantic's absence pursuant to Rule 10318 of the *Code of Arbitration Procedure* ("Code").

Respondent Payne requested a postponement of the hearing by letter dated July 11, 1997. This panel denied that request. Respondent Payne appeared at the hearing fifteen minutes after the hearing commenced and participated in the hearing.

### **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. Respondents Euro-Atlantic and Payne are jointly and severally liable and shall pay Claimant Twenty Thousand One Hundred and Fifty Six Dollars and Twenty Five Cents (\$20,156.25), in compensatory damages.
2. Respondents Euro-Atlantic and Payne are also jointly and severally liable and shall pay Claimant One Thousand Six Hundred and Twelve Dollars and Fifty Cents (\$1,612.50) in pre-judgment interest.

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3. Respondents Euro-Atlantic and Payne are also jointly and severally liable and shall pay Claimant Eleven Thousand Five Hundred Dollars and Zero Cents (\$11,500.00) in punitive damages pursuant to Georgia State law.
4. Respondents Euro-Atlantic and Payne are jointly liable for forum fees as provided in the Forum Fees section of this decision.

#### FORUM FEES

Pursuant to Rule 10332 of the *Code*, the following Forum Fees are jointly and severally assessed against the Respondents.

Non-refundable Filing Fee: \$100.00  
Hearing Session Fees: \$800.00 (2 sessions @ \$400.00 per session)  
Total Fees: \$900.00

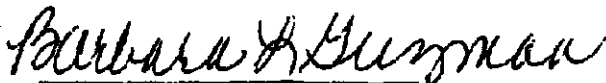
1. Claimant previously deposited \$500.00 and is entitled to a refund in that amount.
2. Respondents Euro-Atlantic and Payne shall satisfy the fees assessed by reimbursing Claimant \$500.00 and by remitting the balance, \$400.00, to NASD Regulation.

Fees are payable to the NASD Regulation, Inc.

#### ARBITRATION PANEL

Stuart Meyers, Esq.	- -	Public Chairperson
Emily Bourne Grisby, Esq.	-	Public Panelist
Barbara L. Guzman	- -	Industry Panelist

Concurring Arbitrator's Signature



Barbara L. Guzman

Date of Decision: August 13, 1997

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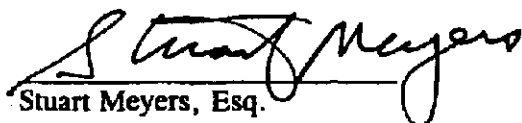
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Concurring Arbitrator's Signature

  
Stuart Meyers, Esq.

Date of Decision: August 13, 1997

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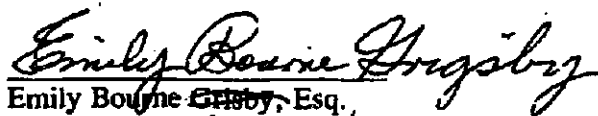
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Emily Bourne Grigsby, Esq.		Public Panelist
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Concurring Arbitrator's Signature

  
Emily Bourne Grigsby, Esq.  
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