

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Stan M. Erdieich

96-05635

Names of Respondents

A.S. Goldmen & Company, Inc.
Stuart E. Winkler
Lisa Marie Cennamo

REPRESENTATION

Claimant Stan M. Erdieich ("Claimant") appeared pro se.

For Respondents A.S. Goldmen & Company, Inc. ("Goldmen") and Stuart E. Winkler ("Winkler") appeared Lewis Goldberg, Esq., with law offices located in Norwalk, Connecticut.

For Respondent Lisa Cennamo ("Cennamo") appeared Dan Druz, Esq., with law offices located in Manasquan, New Jersey.

CASE INFORMATION

Claimant's Statement of Claim was filed on December 18, 1996. Claimant's Submission Agreement was signed on December 18, 1996.

A Joint Statement of Answer was filed by Goldmen and Winkler on February 7, 1997. Goldmen's Submission Agreement was signed on January 6, 1997. Winkler's Submission Agreement was signed on January 6, 1997.

Cennamo's Statement of Answer was filed on March 6, 1997. Cennamo's Submission Agreement was signed on January 21, 1997.

HEARING INFORMATION

Pre-Hearing Conference: September 17, 1997

Hearing Date/Session: January 12, 1998 - Two Sessions

The hearing was conducted at the offices of NASD Regulation, Inc., located in New York, New York.

CASE SUMMARY

Claimant alleged that, in October 1995, he purchased \$5,000.00 worth of shares of IPO Winfield Capital Corp. ("Winfield") from Cennamo, who was a registered representative employed by Goldmen. Claimant also alleged that Cennamo called him a short time after and pursuant to Cennamo's recommendation that he also purchase 1650 warrants of Winfield.

Claimant further alleged that, as he watched the price of Winfield slowly decline, he continually called Cennamo. Claimant asserted that in late February or early March 1996, he again called Cennamo and left a message for her to sell his shares of Winfield. Respondent also asserted that Cennamo failed to execute this sell order. Claimant further asserted that he made several attempts to rectify the situation by contacting Winkler, another employee at Goldmen, but was unsuccessful.

Goldmen and Winkler specifically denied each and every allegation contained in the Statement of Claim that asserted or alleged that either engaged in any wrongdoing and/or were in any way accountable or responsible for any alleged losses Claimant incurred. Goldmen and Winkler also denied that Winkler ever failed and/or refused to promptly respond, or otherwise take appropriate action, with respect to any inquiries claimant may have made regarding his account. Goldmen and Winkler maintained that the Statement of Claim failed to state a cause of action upon which relief could be granted. Goldmen and Winkler also maintained that Claimant received confirmations and account statements indicating securities in his account, and that Claimant never notified Goldmen or Winkler orally or in writing of any complaints. Goldmen and Winkler further maintained that Claimant ratified any alleged acts committed by Goldmen, and failed to mitigate his damages.

Goldmen and Winkler also maintain that Cennamo acted at all times in a professional manner and in conformity with all applicable rules and regulations and fulfilled her duties and responsibilities in good faith. Goldmen and Winkler contend that the claim is barred by the Statute of Frauds, the statute of limitations and the doctrine of laches. Goldmen and Winkler maintain that Claimant is estopped from bringing his claim since he authorized and directed the executions of all his account's transactions. Goldmen and Winkler further maintain that Claimant is a sophisticated investor and knowingly and willingly assumed the risks of his investments. Goldmen and Winkler maintain that any losses suffered by Claimant were the result of normal market conditions and/or fluctuations.

In her Statement of Answer, Cennamo stated that she was adopting the Answer of Goldmen and Winkler.

RELIEF REQUESTED

Claimant requested damages of \$5,000.00, plus any additional costs incurred in the arbitration process.

Goldmen and Winkler requested a determination denying Claimant's claims for relief against them, and an award of costs and disbursements, including reasonable attorneys' fees incurred as a result of this proceeding.

OTHER ISSUES CONSIDERED & DECIDED

At the hearing, Respondents made a motion to strike correspondence from another customer of Goldmen. The arbitrator granted this motion.

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. All claims against Cennamo and Winkler are hereby dismissed in their entirety.
2. Goldmen is hereby liable and shall pay to Claimant the sum of \$1,650.00 in compensatory damages.
3. The parties shall bear their respective costs, including attorneys' fees.
4. All other requests for relief are hereby denied.

FORUM FEES

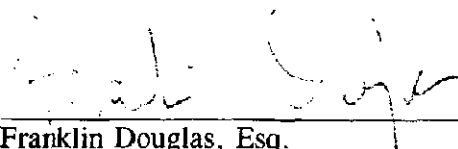
Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrator has determined that NASD Regulation, Inc. shall retain the \$50.00 filing fee paid by Claimant and has assessed the following forum fees:

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|-------------------------------|--------------------|
| 1 pre-hearing conference | = \$ 100.00 |
| 2 hearing sessions x \$100.00 | = <u>\$ 200.00</u> |
| Total forum fees | = \$ 300.00 |

1. Claimant is hereby liable for the sum of \$150.00, representing one-half of the total amount of forum fees assessed. Claimant previously paid \$100.00 to NASD Regulation, Inc., and, therefore, Claimant shall pay the balance of \$50.00 to NASD Regulation, Inc.
2. Goldmen is hereby liable for and shall pay the sum of \$150.00, representing one-half of the total amount of forum fees assessed.
3. Goldmen is hereby liable for and shall pay the sum of \$100.00, representing the member surcharge.

Fees are payable to NASD Regulation, Inc.

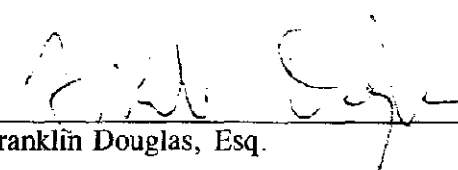
Arbitrator's Signature



Franklin Douglas, Esq.
Public Arbitrator

Date of decision: March 5, 1998

I, **Franklin Douglas, 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.



Franklin Douglas, Esq.