

9/11/00/12

**AWARD**

NASD Regulation, Inc. Office of Dispute Resolution

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In the Matter of the Arbitration Between

Bradford O. Martell, and  
Nadine Martell,

Claimants,

and

No. 96-05671

Norfolk Securities, Inc.,  
Rondo Hosang,  
Jeffrey Van Blarcom, and  
Ian Hosang,

Respondents.

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**REPRESENTATION OF PARTIES**

Claimants Bradford O. Martell and Nadine Martell ("Claimants") were represented by Joel H. Kaufman, Esq. of Farmington Hills, Michigan.

Respondent Jeffrey Van Blarcom ("Van Blarcom") appeared pro se.

Respondents Norfolk Securities, Inc. ("Norfolk Securities"), Rondo Hosang, and Ian Hosang did not appear in this matter.

**CASE INFORMATION**

The Statement of Claim was filed on or about December 11, 1996.

The Amended Statement of Claim was filed on or about September 8, 1997

Claimants' Joint Submission Agreement was signed on December 9, 1996.

Respondent Van Blarcom's Statement of Answer was filed on or about February 19, 1997.

Respondent Van Blarcom's Submission Agreement was signed on February 13, 1997.

Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang did not file a Statement of Answer or properly executed Submission Agreements.

### HEARING INFORMATION

The hearing was held on October 21, 1997 for two (2) sessions in Southfield, Michigan.

### CASE SUMMARY

Claimants alleged that the Respondents solicited and contacted them to purchase 5000 shares of Stocknet, Inc. ("STOT"). Claimants contended that they attempted to sell STOT, but could not make contact with their broker, Respondent Rondo Hosang. Claimants asserted that when they ultimately made contact with Respondent Rondo Hosang, he promised them that he would execute the trade, but failed to do so. Claimants maintained that they also contacted Respondent Van Blarcom who also promised to execute the trade, but also failed to do so. Claimants alleged that Respondents failed to follow their express directions to sell STOT on not less than three (3) separate occasions and ultimately cost Claimants the sum of \$40,600. Claimants asserted various claims, including: breach of contract; negligence; violation of the Michigan Consumer Protection Act; fraudulent misrepresentation; breach of fiduciary duty; and federal and state security law violations.

Respondent Van Blarcom denied all liability to Claimants in his Statement of Answer. Respondent Van Blarcom alleged that he had no recollection of speaking to Claimants and no involvement with the purchase of STOT. Respondent Van Blarcom also denied that he was president of Norfolk Securities. Respondent Van Blarcom contended that Claimants were free to transfer their account to another firm if they felt they could obtain better services elsewhere.

Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang did not file a Statement of Answer.

### OTHER ISSUES CONSIDERED AND DECIDED

Claimants' Motion to Amend the Statement of Claim and Add Ian Hosang as a Respondent was granted.

Respondent Van Blarcom did not appear at the hearing. Upon review of the file, the undersigned arbitrators have determined that Respondent Van Blarcom had received due notice of the hearing as required under §10315 of the NASD Code of Arbitration Procedure ("Code") and that arbitration of the matter would proceed with respect to Respondent Van Blarcom pursuant to §10318 of the Code.

NASD Regulation, Inc. Office of Dispute Resolution was not able to locate Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang. Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang did not file an Answer to the Statement of Claim or appear at the hearing. Upon review of the file, the undersigned arbitrators have determined that Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang have not been properly served with the Statement of Claim pursuant to §10302 and §10314 of the Code. The undersigned arbitrators have also determined that Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang have not received due notice of the hearing as required under §10315 of the Code and that arbitration of the matter would not proceed with respect to Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang pursuant to §10318 of the Code.

The parties who appeared at the hearing 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 Regulation, Inc. Office of Dispute Resolution.

#### **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) Respondent Jeffrey Van Blarcom is hereby liable for and shall pay to Claimants Bradford O. Martell and Nadine Martell compensatory damages in the amount of Nine Thousand Five Hundred Dollars and No Cents (\$9,500.00);
- (2) That all claims against Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang are hereby dismissed without prejudice to Claimants' right to reassert these claims against Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang in a future proceeding in the event Claimants are able to locate Respondents Norfolk Securities, Rondo Hosang, and Ian Hosang; and
- (3) That other than forum fees, which are addressed below, all other claims and requests for relief not specifically addressed are hereby denied with prejudice.

#### **FORUM FEES**

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each pre-hearing conference, if any. There were two (2) hearing sessions x \$400 = \$800 in forum fees. Total forum fees = \$800. Pursuant to § 10332(b) of the Code, a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to § 10332(c) of the Code, NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$120 and shall retain as forum fees the hearing session deposit in the amount of \$400 (1/2 total forum fees) previously deposited with NASD Regulation, Inc. Office of Dispute Resolution by the Claimants.

Pursuant to § 10332(c) of the Code, Respondent Van Blarcom is liable for and shall pay forum fees in the amount of \$400 (1/2 total forum fees).

Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.

Concurring Arbitrators' Signatures

/s/ Barry Goldman, Esq.  
Barry Goldman, Esq.  
Chairperson  
Public Arbitrator

October 24, 1997  
Dated:

/s/ Howard F. Lynn  
Howard F. Lynn  
Panelist  
Public Arbitrator

October 23, 1997  
Dated:

/s/ Stuart M. Egrin  
Stuart M. Egrin  
Panelist  
Industry Arbitrator

October 25, 1997  
Dated:

For NASD use only:  
Date Award was served on the parties: October 27, 1997