

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Commonwealth Associates

98-00081

Name of Respondents

Hugh D. Bellingreri
John P. Paradise

REPRESENTATION

For Claimant Commonwealth Associates ("Claimant") appeared Richard A. Campanella of Commonwealth Associates located in New York, New York.

Respondent Hugh D. Bellingreri ("Bellingreri") appeared *pro se*.

Respondent John P. Paradise ("Paradise") appeared *pro se*.

CASE INFORMATION

Claimant's Statement of Claim was filed on January 7, 1998.
Claimant's Submission Agreement was signed on January 7, 1998.

Bellingreri did not file Statement of Answer to the Statement of Claim or the Cross-claim.
Bellingreri did not file a properly executed Submission Agreement.

Paradise's Statement of Answer and Cross-claim was filed on February 18, 1998.
Paradise's Submission Agreement was signed on February 16, 1998.

HEARING INFORMATION

Pre-Hearing Conference:	April 3, 1998	One Session
	April 29, 1998	One Session

Hearing Date/Sessions:	May 11, 1998	One Session
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The hearing was conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant maintained that, on April 1, 1998 and April 17, 1997 respectively, Bellingreri and Paradise accepted positions as Account Executives with it. Claimant alleged that Bellingreri and Paradise (collectively "Respondents") agreed to become partners with each other and work under one Account Executive number. Claimant also alleged that Respondents signed an indemnification agreement, pursuant to which they agreed to be jointly and severally liable for any problems, discrepancies, incidents or claims that arose with any account under their joint number. Claimant further alleged that, on August 20, 1997, Respondents completed and had approved a New Account form for Polo Mortgage, attention to Jeffrey Rosen ("Rosen"). Claimant further alleged that Respondents noted on the form an initial purchase of 3,000 Intel warrants, and assured the Trading Department that the transaction was suitable for the client and the client could pay for the transaction. Claimant contended that before the transaction was paid for, and contrary to firm policy, Respondents effected additional trades for Polo Mortgage. Claimant alleged that Rosen stated that he would have funds transferred from another account he maintained at Bear Stearns to cover the purchases. Claimant further alleged that when the funds were not received the holdings in the account were liquidated, leaving a debit balance. Claimant alleged that, on December 16, 1997, it requested that Respondents pay the debit balance pursuant to the indemnification agreement but, to date, payment has not been received.

Paradise alleged that he was only aware of the purchase of 2,000 Intel warrants on August 22, 1997. Paradise also alleged that he never signed the New Account Form for Polo Mortgage, and did not authorize Bellingreri to sign it for him. Paradise maintained that Rosen was a customer of Commonwealth, and had a history of dealing primarily with Bellingreri. In his Cross-Claim, Paradise, contended that he signed the indemnification form with the understanding that he and Bellingreri would be responsible for their own individual accounts unless they both signed the new account form.

RELIEF REQUESTED

Claimant requested actual damages in the amount of \$22,500.00 plus interest and reasonable costs.

Paradise requested that the Statement of Claim against him be dismissed. In his Cross-Claim, Paradise requested indemnification from Bellingreri.

OTHER ISSUES CONSIDERED & DECIDED

The arbitrator made the following determinations concerning Bellingreri, who did not file a Statement of Answer or a Submission Agreement:

1. Pursuant to Rule 10101 of the Code of Arbitration Procedure (the "Code"), the arbitrator found subject matter jurisdiction over this entire controversy.
2. The arbitrator found that Bellingreri was a person associated with a member of the NASD at the time this controversy arose. Accordingly, the arbitrator found personal jurisdiction over Bellingreri pursuant to Rule 10201 of the Code.
3. The arbitrator found that Bellingreri was required to file a Statement of Answer

and a Submission Agreement with NASD Regulation pursuant to Rule 10314(b) of the Code. In this regard, the arbitrator found that the Statement of Claim was properly served upon Bellingreri pursuant to Rule 10314(a) of the Code.

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. Bellingreri be and hereby is liable for and shall pay to Claimant damages in the amount of **TWENTY ONE THOUSAND FIVE HUNDRED TWENTY FOUR DOLLARS AND SEVENTY-THREE CENTS (\$21,524.73)**.
2. Claimant's claims against Paradise are hereby dismissed.
3. Claimant's requests for interest and costs are hereby denied.
4. Bellingreri's claims against Paradise are hereby denied.
5. All other requests are hereby denied.

OTHER COSTS

Pursuant to Rule 10333 of the NASD Code of Arbitration Procedure ("Code"), Claimant has paid to NASD Regulation, Inc. the \$400.00 member surcharge previously invoiced.

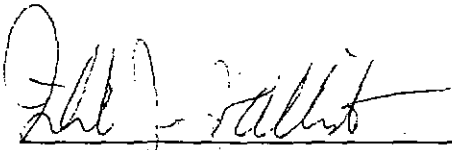
FORUM FEES

Pursuant to Rule 10205(c) of the Code, the arbitrators have determined that the NASD shall retain the \$500.00 non-refundable filing fee deposited by Claimant and have assessed the following forum fees:

2 Pre-hearing conferences x \$300.00	=	\$600.00
1 Hearing session x \$300.00	=	\$300.00

Claimant be and hereby is liable for the sum of \$900.00 representing the total amount of forum fees assessed. Claimant previously deposited \$300.00 with NASD Regulation, Inc. and, therefore, shall pay to NASD Regulation, Inc. the balance of \$600.00.

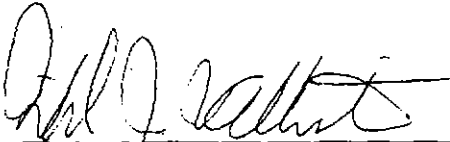
ARBITRATOR'S SIGNATURE



Michael J. McAllister, Esq.
Industry Arbitrator

Date of Decision: June 15, 1998

I, Michael J. McAllister, 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.


Michael J. McAllister, Esq.