

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Greg and Dawn Dannette Seitz
Seitz Management, Inc.

Case No. 99-00619

Names of Respondents

RAS Securities Corp.
Edward P. Galvan

REPRESENTATION OF PARTIES

For Claimants Greg Seitz, Dawn Dannette Seitz and Seitz Management, Inc. hereinafter collectively referred to as "Claimants": J. Pat Sadler, Esq. of the law firm of Sadler & Associates, P.C., Atlanta, Georgia.

For Respondent RAS Securities Corp. ("RAS"): Sheldon H. Gopstein, Esq., New York, New York until his withdrawal on October 7, 1999. Thereafter, Respondent RAS did not appear.

Respondent Edward P. Galvan ("Galvan") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: February 10, 1999.

Claimants signed the Uniform Submission Agreements: February 8, 1999.

Statement of Answer filed by Respondent RAS Securities Corp. on or about: April 20, 1999.

Respondent RAS Securities Corp. signed the Uniform Submission Agreement: April 20, 1999.

Respondent Galvan did not file a Statement of Answer or executed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted that Respondents perpetrated a fraud on Claimants in violation of Section 10 of the Securities and Exchange Act of 1934, SEC Rule 10b-5 and the Georgia Securities Act. Specifically, Claimants alleged Respondents perpetrated a fraud on Claimants in the following particulars: suitability violations; unauthorized trading/misrepresentation;

churning; breach of fiduciary duty; and, Respondent RAS failed to properly supervise Respondent Galvan.

Respondent FAB Securities of America, Inc. ("FAB") (f/k/a RAS Securities Corp.) denied the allegations contained in the Statement of Claim and asserted the following: At all times, the trades made in the subject accounts were appropriate, suitable and consistent with the investment objectives of the respective clients. Claimants represented to FAB that they understood and accepted the risks associated with those trades and objectives. Claimants received written confirmations in the mail for each and every trade executed in their respective accounts. Claimants also received monthly statements which detailed all activity in their accounts. Further, if any of the claims asserted by the Claimants are true, then Respondent Galvan acted outside the scope of his employment in violation of the policies and procedures of FAB. Therefore, Respondent Galvan and not FAB should be held responsible for any losses. In addition, Respondent FAB asserted that exemplary or punitive damages and attorneys' fees are beyond the scope of this proceeding and may not be awarded.

RELIEF REQUESTED

Claimants requested:

Compensatory damages in the joint account	\$162,110.00
Compensatory damages in the Seitz Management, Inc. account	\$84,390.00
Attorneys' fees	\$50,000.00
Other costs and expenses of litigation	To be determined

FAB requested that the Statement of Claim be dismissed in its entirety and that the panel of arbitrators award RAS such other and further relief as may be just, equitable and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents RAS Securities Corp. and Edward P. Galvan did not attend the evidentiary hearing in this matter. Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondents have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Edward P. Galvan did not file with the NASD Regulation, Inc., Office of Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

The parties present 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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondents committed fraud with respect to the handling of Claimants' accounts.

Respondents are liable, jointly and severally, and shall pay to Claimants Greg Seitz and Dawn Dannette Seitz the sum of \$156,774.00.

Respondents are liable, jointly and severally, and shall pay to Claimant Seitz Management, Inc. the sum of \$84,390.00.

Respondents are liable, jointly and severally, and shall pay to Claimants Greg Seitz and Dawn Dannette Seitz the sum of \$30,000.00 in attorneys' fees pursuant to the Georgia Code Section 10-14(a).

Respondents are liable, jointly and severally, and shall pay to Claimant Seitz Management, Inc. the sum of \$20,000.00 in attorneys' fees pursuant to the Georgia Code Section 10-14(a).

Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$200.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Adjournment Fees

No adjournments were requested during these proceedings.

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One Pre-hearing session with Panel x \$750.00	= \$ 750.00
Pre-hearing conference: September 22, 1999	1 session
One Hearing session x \$750.00	= \$ 750.00
Hearing Date: November 15, 1999	1 session
Total Forum Fees	= \$1,500.00

The Panel has assessed the total forum fees of \$1,500.00 jointly and severally to Respondents.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$200.00
Total Fees	= \$200.00
<u>Less payments</u>	<u>= \$200.00</u>
Balance Due NASD Regulation, Inc.	= \$0.00

Respondent RAS Securities Corp. be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$0.00</u>
Balance Due NASD Regulation, Inc.	= \$4,600.00

Respondents be and hereby are jointly and severally liable for:

Forum Fee	= \$1,500.00
<u>Less payment</u>	<u>= \$0.00</u>
Balance Due NASD Regulation, Inc.	= \$1,500.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

_____/s/_____
Ralph Williams, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

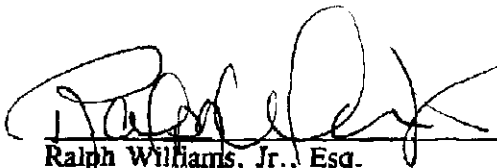
_____/s/_____
Steven J. Gard, Esq.
Public Arbitrator

Signature Date

_____/s/_____
Howard S. Levine
Industry Arbitrator

Signature Date

November 23, 1999
Date of Service (For NASD office use only)



Ralph Williams, Jr., Esq.
Public Arbitrator, Presiding Chair

11/17/99

Signature Date

Steven J. Gard, Esq.
Public Arbitrator

Signature Date

Howard S. Levine
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

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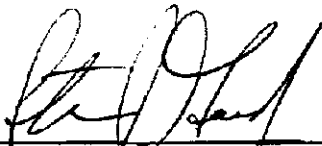
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Ralph Williams, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date


Steven J. Gard, Esq.
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Ralph Williams, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Steven J. Gard, Esq.
Public Arbitrator

Signature Date



Howard S. Levine
Industry Arbitrator

12/19/99

Signature Date

Date of Service (For NASD office use only)