

**AWARD**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

Name of Claimant

Joyce E. Veit

and

01-02316  
Minneapolis, Minnesota

Name of Respondents

SunAmerica Securities, Inc.  
Joseph Sterling, individually and d/b/a  
Sterling Financial

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**REPRESENTATION OF PARTIES**

Joyce E. Veit ("**Claimant**") was represented by Matthew T. Boos, Esq., Fredrikson & Byron, P.A., Minneapolis, Minnesota.

SunAmerica Securities, Inc. ("**Respondent SunAmerica**") and Joseph Sterling ("**Respondent Sterling**") were represented by Jeffrey D. Hedlund, Esq., Faegre & Benson LLP, Minneapolis, Minnesota.

**CASE INFORMATION**

The Statement of Claim was filed on or about May 4, 2001. Submission Agreement of Claimant Joyce E. Veit was signed on May 2, 2001.

Respondents' Statement of Answer was filed by SunAmerica Securities, Inc. and Joseph Sterling on or about June 28, 2001. Submission Agreement of Respondent SunAmerica Securities, Inc. was signed on May 14, 2001. Submission Agreement of Respondent Joseph Sterling was signed on May 17, 2001.

**CASE SUMMARY**

Claimant alleged that Respondent Sterling made unsuitable investment recommendations to her in light of her life situation. It was also alleged that Respondent Sterling misrepresented the nature of and risks associated with the investments recommended for her. Claimant further alleged that Respondent SunAmerica is liable under the common law doctrines of agency and respondeat superior.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that Claimant is an experienced investor who had often elected to assume a higher level of risk in exchange for a higher potential rate of return. It was also stated that while Claimant maintained her account at Respondent Sterling, she purchased individual technology stocks at another brokerage firm. Respondents further stated that Claimant failed to follow the advice of Respondent Sterling when she decided to purchase mutual funds with a high tech component in January 2000. It was further stated that Claimant has not lost any money in her account and is merely seeking to recover the difference between the highest value of her account and the current value of the account.

### **RELIEF REQUESTED**

Claimant requested that the Arbitration Panel award against respondents jointly and severally, at least the following damages:

1. Compensatory damages exceeding \$325,000, the exact amount to be determined by the arbitrators at the hearing;
2. Reasonable attorneys' fees as required by the Minnesota securities laws, the Minnesota Consumer Fraud Act, and the Minnesota Treble Damage Theft Statute;
3. Interest on all damages awarded;
4. Cost, disbursements and expenses, including expert witness fees incurred in pursuing this arbitration;
5. Punitive damages of at least \$100,000, or such other larger amount as the arbitrators deem just to send a message to Respondents, under the general Minnesota punitive damage law;
6. Triple or double damages under the Minnesota double and triple damage theft statutes; and
7. Such other relief as the arbitrators deem just and proper.

Respondents requested that the Statement of Claim be dismissed, and Claimant be ordered to reimburse Respondents for their costs in defending this arbitration proceeding.

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

The parties 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 Dispute Resolution, Inc. (the "NASD").

### **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. The claims asserted in this matter shall be and hereby are dismissed in their entirety.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee = \$500.00

#### **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 SunAmerica Securities, Inc.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

#### **Forum Fees and Assessments**

The Arbitration 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 (1) Pre-hearing session(s) with Panel x \$1,200.00	= \$ 1,200.00
Pre-hearing conference(s):   October 19, 2001       1 session	
Ten (10) Hearing sessions x \$1,200.00	= \$12,000.00
Hearing Dates:               April 10, 2002       2 sessions	
April 11, 2002       2 sessions	

April 25, 2002	2 sessions
April 26, 2002	2 sessions
April 27, 2002	2 sessions

Total Forum Fees = \$13,200.00

The Arbitration Panel has assessed \$6,600.00 of the forum fees to Joyce E. Veit.

The Arbitration Panel has assessed \$6,600.00 of the forum fees jointly and severally to SunAmerica Securities, Inc., and Joseph Sterling.

**Fee Summary**

Claimant, Joyce E. Veit, shall be and hereby is liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$6,600.00
Total Fees	= \$7,100.00
<u>Less payments</u>	= \$1,700.00
Balance Due NASD Dispute Resolution, Inc.	= \$5,400.00

Respondent, SunAmerica Securities, Inc., shall be and hereby is liable for:

Member Fees	= \$7,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$7,600.00
<u>Less payments</u>	= \$7,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents, SunAmerica Securities, Inc. and Joseph Sterling, shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$6,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$6,600.00

All balances are due to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

D. Randall Blohm, Esq. - Public Arbitrator, Presiding Chair

Arthur H. Cobb -	Public Arbitrator
Rolf V. Aronsen, Esq. -	Non-Public Arbitrator

Concurring Arbitrators:

/s/ D. Randall Blohm  
D. Randall Blohm, Esq.  
Public Arbitrator, Presiding Chair

May 2, 2002  
Signature Date

/s/ Arthur H. Cobb  
Arthur H. Cobb  
Public Arbitrator

May 1, 2002  
Signature Date

/s/ Rolf Aronsen  
Rolf V. Aronsen, Esq.  
Non-Public Arbitrator

May 1, 2002  
Signature Date

NASD Dispute Resolution, Inc.  
Arbitration No. 01-02316  
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Arthur H. Cobb - Public Arbitrator  
Rolf V. Aronsen, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

D. Randall Blohm  
D. Randall Blohm, Esq.  
Public Arbitrator, Presiding Chair

5-2-02  
Signature Date

Arthur H. Cobb  
Arthur H. Cobb  
Public Arbitrator

Signature Date

Rolf V. Aronsen, Esq.  
Rolf V. Aronsen, Esq.  
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.  
Arbitration No. 00-02316  
Award Page 5 of 5

Arthur H. Cobb -  
Rolf V. Aronsen, Esq. -

Public Arbitrator  
Non-Public Arbitrator

NASD Dispute Resolution, Inc.  
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Concurring Arbitrators:

D. Randall Blohm, Esq.  
Public Arbitrator, Presiding Chair

Arthur H. Cobb  
Public Arbitrator

Rolf V. Aronsen, Esq.  
Non-Public Arbitrator

Signature Date

May 1, 2002  
Signature Date

Signature Date

NASD Dispute Resolution, Inc.

Arbitration No. ~~00-02216~~

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Arthur H. Cobb -  
Rolf V. Aronsen, Esq. -Public Arbitrator  
Non-Public Arbitrator

## Concurring Arbitrators:

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D. Randall Blohm, Esq.  
Public Arbitrator, Presiding Chair

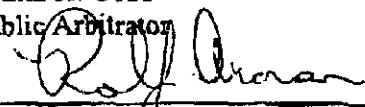
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Signature Date

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Arthur H. Cobb  
Public Arbitrator

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Signature Date  

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Rolf V. Aronsen, Esq.  
Non-Public Arbitrator

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5-1-02  
Signature Date