

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Jean Goren, et al.

87-01529

Name of Respondent(s)

Kidder, Peabody & Co., Incorporated  
Amelia Nerdum-Turcotte

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REPRESENTATION

For Claimant Jean Goren: Seth E. Lipner, Esq. of Deutsch & Lipner in Great Neck, New York.

For Respondent Kidder Peabody, Inc.: Brian F. McDonough, Esq. of Shanley & Fisher in New York City.

For Respondent Amelia Nerdum-Turcotte: Alan Miller, Esq. of Birmingham, Michigan.

CASE INFORMATION

Statement of Claim filed: August 17, 1987.

Submission Agreement of the Claimant Jean Goren signed on August 13, 1987.

Submission Agreement of Respondent Kidder Peabody, Inc. signed on September 5, 1987.

Submission Agreement of Respondent Amelia Nerdum-Turcotte signed on October 28, 1987.

HEARING INFORMATION

Hearing Dates/Sessions: June 27, 1991/Two Sessions  
June 28, 1991/Two Sessions

Hearing Location: Detroit, Michigan

### CASE SUMMARY

Claimant Jean Goren alleged that in June of 1985, Respondents converted her account to an options account following five months of conservative activity in blue-chip big board stocks. Claimant alleged that options were unsuitable for her as a customer of Respondents since she was a 57 year old divorced woman whose only assets were those obtained from a divorce settlement.

Claimant asserted that her investment objectives were safety of principal and income. Respondent Kidder Peabody, Inc. maintained that they only effected unsolicited transactions that the Claimant sought to execute in her account at discounted commission rates which were obtained at Claimant's demand. Respondent Kidder Peabody, Inc. further maintained that they only executed her trades and nothing else and that the Claimant repeatedly and knowingly entered into options transactions of her own volition without any influence from Kidder Peabody, Inc.'s personnel. Respondent Amelia Nerdum-Turcotte maintained that the Claimant's option account was opened pursuant to the demand of the Claimant, that the Claimant's account at Kidder Peabody produced a profit, that all trades other than bond transactions were unsolicited by the Claimant, and that the Claimant represented that options trading was to be done in conjunction with her son-in-law's expert advice and guidance.

### RELIEF REQUESTED

Claimant requested compensatory damages of \$106,376.00 and punitive damages of \$319,128.00. Respondent Kidder Peabody, Inc. requested that the claims of the Claimant be dismissed. Respondent Amelia Nerdum-Turcotte requested that the claims of the Claimant be dismissed and that she be awarded costs and attorneys' fees.

### 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 parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.
- (2) The claims of the Claimant Jean Goren against the Respondents Kidder Peabody, Inc. and Amelia Nerdum-Turcotte be and hereby are dismissed in their entirety.
- (3) The parties shall bear their respective costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

(1) Respondent Kidder Peabody, Inc. is assessed \$3,000.00 in forum fees. In payment of this \$3,000.00, Respondent Kidder Peabody, Inc. shall remit to the NASD, Inc. the sum of \$2,250.00 and shall remit to Claimant Jean Goren the sum of \$750.00 as reimbursement of her \$750.00 filing fee previously deposited with NASD, Inc.

ARBITRATION PANEL

Name

H. Rollin Allen, Esq., (chairperson)  
David Jarvis, Esq.  
James F. Mooney

Public Arbitrator  
Public Arbitrator  
Industry Arbitrator

Concurring Arbitrators' Signatures

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James F. Mooney

Date of Decision:

8/22/91