

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Mary Morton Parsons)	
Claimant)	Case #87-02248
vs.)	Award
Hamilton, Bohner Van Vleck, Inc.,)	
John E. Sherman and)	
John R. McKowen,)	
Respondents)	

CASE SUMMARY

Claimant, Mary Morton Parsons, alleges that Respondents sold 335,000 shares of Home Beneficial Corp., some of which were sold without her written authorization, and that Respondents confirmed the trades but failed to turn over the full amount of the proceeds from the trade. Claimant further alleges that the District Business Conduct Committee, after a hearing directed Respondent, John E. Sherman, to disgorge the proceeds to the Claimant and that the Board of Governors affirmed that decision. Claimant also alleges that she has not received the proceeds.

Respondent, Hamilton, Bohner Van Vleck, Inc. and John E. Sherman, deny liability and add that the decision of the Board of Governors is being appealed before the Securities Exchange Commission. Respondents allege that Claimant is now seeking a similar relief sought in a prior administrative hearing.

RELIEF REQUESTED

Claimant requests an award of \$692,541.00, jointly and severally, plus prejudgment interest at a rate of 8% per annum from February 3, 1986 to the date of the award.

Respondents, Hamilton, Bohner Van Vleck, Inc. and John E. Sherman, request that the arbitration panel dismiss the claim.

AWARD

On September 11, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in a submission to arbitration signed by Claimant on September 11, 1989, and by Respondent, Hamilton, Bohner & Van Vleck, Inc., on July 18, 1988. Respondent, John E. Sherman, did not execute a Submission Agreement. However, he filed a joint Answer with Hamilton, Bohner & Van Vleck, Inc., appeared and defended the claims asserted against him. Respondent, John R. McKowen, did not execute a Submission Agreement, file an Answer nor appear to defend the claims asserted against him. The hearing was held in Richmond, Virginia and consisted of two sessions. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents are hereby liable to the Claimant in the amount of Six Hundred and Twenty-Seven Thousand, Two Hundred and Forty-One Dollars and Zero Cents (\$627,241.00) plus prejudgment interest at a rate of eight percent (8%) from February 3, 1986 to the date of this award.
2. The parties shall each bear their respective costs including attorneys' fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$500.00 deposit of the \$1,000.00 filing fee previously deposited by the Claimant.
4. Respondent, Hamilton, Bohner Van Vleck, Inc., is assessed forum fees in the amount of \$2,000.00 payable to the NASD, Inc. in accordance with Section 43 of the Code of Arbitration Procedure.

OTHER ISSUES

Based upon the evidence submitted in Arbitration Exhibit No. 1 regarding hearing notices to the parties and the evidence presented by the Claimants

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regarding her efforts to locate Respondent, McKowen, this arbitration panel finds, pursuant to Sections 29 and 12(a) of the Code of Arbitration Procedure, that proper notice as well as jurisdiction exists over Respondent, McKowen.

CONCURRING ARBITRATORS


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Randolph B. Boyd

Robert L. Dennis

John J. Muldowney

Mary Ann Hormel

January 12, 1990

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