

APR 16 REC'D

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between/Among	)	
Jenrose Miller	)	
Claimant(s)	)	
vs.	)	Case #88-01343
	)	Award
E.F. Hutton, Inc., Edmund Nasiefe	)	
and Thomas Hardin	)	
Respondent(s)	)	

CASE SUMMARY

Claimant, Jenrose Miller, alleged in her April 21, 1988, claim (Claimant's Exhibit I) that in 1983 the Respondents, E. F. Hutton, Edmund Nasiefe and Thomas Hardin, placed in her a speculative and unsuitable investment, to wit: K.C. Value Line, an index option account. Essentially the Claimant's allegations were that the Respondents misrepresented the nature of the investment, that she relied upon these misrepresentations and that, as a result, she lost \$10,126.00 out of a \$20,000.00 investment. Mrs. Miller also alleged that the Respondents misrepresented the status of her account and that her loss could have been further limited had that not been so. The Respondents denied Claimant's allegations and maintained that the Claimant, notwithstanding her past conservative investment program, requested a more speculative investment for the \$20,000.00 investment, that the K.C. Value Line investment was recommended and fully discussed with the Claimant, that she was told that she could lose her entire investment, that she signed a client risk disclosure statement (which is part of Respondents'

composite Exhibit I), and that she was made fully aware of the risks. Respondents further maintained that Mrs. Miller was fully aware of the activity in her account. After suffering losses on her account, Mrs. Miller instructed Mr. Hardin she did not want to lose more than \$10,000.00. Respondents immediately complied with her wishes and stopped trading on her account. Her loss on this account was \$10,126.00.

#### RELIEF REQUESTED

Claimant, Mrs. Jenrose Miller, seeks the return of the balance of her \$20,000.00, to wit: \$10,126.00, plus interest at the rate of 12 percent per annum.

The Respondents request that the claim be dismissed in its entirety and that they be awarded their costs and fees in defending the arbitration.

#### AWARD

On March 22, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in the submissions to arbitrations signed by the Claimant, Jenrose M. Miller, on April 21, 1987, and the Respondent, Shearson Lehman Hutton, Inc. (successor to E. F. Hutton Co.) on January 24, 1990, by William A. Hohausser, by Respondent, Edmund Nasiefe, on January 24, 1990, and by Thomas L. Hardin, on January 24, 1990 (See Joint Exhibit I, a composite exhibit of the Uniform Submission Agreements signed by the parties). The hearing was held in Louisville, Kentucky, and

consisted of two (2) sessions, a morning and afternoon session. The following individuals were present at the hearing: Jenrose Miller, the Claimant; her attorney, Amelia Franklin Adams; Teresa Obringer, Attorney for Respondents; Thomas L. Hardin, Respondent; Edmund Nasiefe, Respondent; and a witness, Jerome C. Miller, who was excluded from the hearing on the application of Respondent's attorney except for the time that he testified. The arbitrator having considered the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claim is denied in its entirety;
2. The parties shall bear their respective costs including attorney's fees;

3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc., shall retain the \$200.00 filing fee previously deposited by the Claimant. Claimant is assessed for fees in the amount of \$400.00 to cover the costs of the second session, payable to NASD, Inc., through its staff counsel in accordance with Section 43 of the Code of Arbitration Procedure.

PRESIDING ARBITRATOR



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Malcolm Friedman