

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

James Wilson

Claimant

and

First of Michigan

Respondent and
Third Party Claimant

and

Monty L. Jackson

Third Party
Respondent

A W A R D
88-02131

SUMMARY OF CASE

In a claim filed on or about July 5, 1988, the Claimant alleged that he entered into an agreement with Respondent Jackson to jointly purchase bearer bonds through Respondent First of Michigan. The Claimant stated that he thereafter found out that Mr. Jackson had left the employ of First of Michigan, that the bearer bonds did not exist, and that he would not be repaid for his portion of the investment with Mr. Jackson.

Respondent First of Michigan alleged that the investment was a private agreement between the Claimant and Mr. Jackson and not sponsored by First of Michigan. They alleged that First of Michigan received no commission or compensation in connection with this transaction and that the transaction is not found in any records or ledgers of the firm.

In its third party claim against Monty Jackson, First of Michigan alleged that the investment was a private transaction not involving First of Michigan. They alleged that any losses suffered by the Claimant are the responsibility of Monty Jackson and sought indemnity from Monty Jackson for any award for Mr. Wilson against First of Michigan.

Mr. Jackson alleged that his transaction was a personal one between himself and Mr. Wilson; that his prison sentence included the requirement to pay restitution to Mr. Wilson; and that no grounds existed for a case by the Claimant against First of Michigan.

RELIEF REQUESTED

Claimant sought the recovery of \$6,600, the amount he was to receive pursuant to his agreement to purchase the bearer bonds, plus costs. First of Michigan, in its answer, asked for the claims to be dismissed and its costs to be reimbursed. In its third-party claim, First of Michigan asked to be indemnified by Monty Jackson for any award against First of Michigan.

AWARD

On September 29, 1989 in Detroit, Michigan during a hearing lasting one session, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant on June 28, 1988, on August 16, 1988 by John Martin on behalf of Respondent First of Michigan, and in the Answer of Monty Jackson filed on September 17, 1989. Having been registered with the NASD at the time of this occurrence, I find that he is required by the NASD By Laws and Section 8(a) of the Code of Arbitration Procedure to arbitrate this dispute and is therefore bound by this decision. Mr. Jackson did not attend the hearing because of his incarceration.

Having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent First of Michigan Corp. is hereby liable for and shall pay to the Claimant the sum of Six Thousand Three Hundred Dollars (\$6,300) inclusive of interest;
2. Pursuant to Section 43 of the Code of Arbitration Procedure, Respondent First of Michigan is assessed forum fees of \$200 which shall be made payable directly to the Claimant in addition to the amount referenced in item 1 above;
3. The Third Party claim for indemnification by First of Michigan against Monty Jackson is granted and Monty Jackson is hereby liable for and shall pay to First of Michigan Corp. the sum of Six Thousand Five Hundred Dollars (\$6,500);
4. Each party shall bear its own costs and expenses in this matter; and

5. The arbitrator acknowledges the representation by the Claimant's counsel that the Claimant is willing to assign his interest in any other Judgement against Monty Jackson relative to this matter, to the extent that payment of this award satisfies said Judgment.

Dated: 10/27/89 /s/ Robert J. Scafuri
Robert Scafuri