

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

WALTER STAUFFER

Claimant(s)

and

B. C. CHRISTOPHER, JOHN COULSON AND
DUKE EVANS

Respondent(s)

CASE NO. 88-03340

CASE SUMMARY

Walter Stauffer ("Claimant") alleged as follows:

1. B. C. Christopher, John Coulson, and Duke Evans (collectively referred to herein as "Respondents") in April of 1988 sold most of the Claimants bonds without his authorization. Such transactions were unsuitable for Claimant;

2. Respondents made misrepresentations to the Claimant with actual intent to deceive Claimant to generate commissions, including the recommendation to purchase an annuity with the proceeds from the unauthorized bond transaction; and

3. Respondents are liable to Claimant under Federal and State Securities laws, common law fraud, and breach of fiduciary duty.

Respondents alleged as follows:

1. Deny each and every claim of the Claimant;
2. Claimant fails to state a claim upon which relief can be granted and any claim is barred by the doctrines of estoppel, waiver, accord and satisfaction, and ratification;
3. Claimant failed to mitigate his damages, consented to all trades, and assumed the risk of losses, and was aware of all the risk of losses; and
4. Respondents acts were not the proximate cause of Claimants alleged damages, and losses were caused by unforeseen market conditions.

RELIEF REQUESTED

Claimant requested \$113,000 in damages which includes attorneys fees and costs, plus punitive damages of \$30,000. Respondents requested that all of the claims of the Claimant be dismissed and they be awarded their costs including attorneys' fees.

PROCEDURAL SUMMARY

Claimant filed his claim with the NASD on October 25, 1988. On August 24, 1989 the undersigned arbitrators heard the controversy between the parties in two sessions in Kansas City, Missouri. Claimant signed a Uniform Submission Agreement on October 11, 1988, James A. Stanziola on behalf of B. C. Christopher Securities Co. on January 5, 1989, on January 17, 1989 by John Coulson, and on January 11, 1989 by Earl W. Evans, III. Duke Evans was dismissed as a party at the hearing by the Claimant.

The arbitration panel, 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:

The panel awards the following damages to Walter Stauffer jointly and severally against Respondents B. C. Christopher and John Coulson:

- a. \$41,885.00 in actual damages including prejudgment interest; and
- b. \$8,115.00 in attorneys fees and costs.

Pursuant to Section 43(b) of the NASD Code of Arbitration Procedure the Respondents shall pay \$800.00 in forum fees to the NASD through its staff counsel, and the NASD shall refund to the Claimant his \$400.00 filing deposit.

By the Panel

Dated: 10-3-89 /S/John H. Lundgren, Esq. _____
Presiding Chair

Dated: 10-2-89 /S/Robert E. Eisler, Jr. _____

Dated: 10-2-89 /S/Keith O'Rourke _____

Date Served: 10-5-89