

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Among	*
Bobby C. and Betty Goodman	*
Claimant	*
vs.	Case #88-03499 Award
Melhado, Flynn & Associates, Inc. and	*
George M. Motz	*
Respondent	*

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CASE SUMMARY

Claimants Bobby C. and Betty B. Goodman (hereinafter "Claimant's") alleged that Respondents Melhado, Flynn & Associates, Inc. and George M. Motz (hereinafter "Respondents") mishandled Claimants account by making unsuitable investments and by churning Claimants account. Claimants alleged that Respondent failed to fully explain commission and fee assessments. Claimant alleged that Respondents were not registered to do business with Virginia residents such as the Claimants.

Respondents maintained that Claimants account was properly handled and that Claimants losses were incurred as a result of the market "crash" in October, 1987. Respondents maintained that Claimant's account was not churned and that the management fees were reasonable and that Respondent were entitled to charge commissions. Respondent Melhado Flynn maintained it was a registered broker dealer.

RELIEF REQUESTED

Claimant requested damages in the amount of \$41,761.00; this amount includes interest, costs and attorney's fees.

Respondent requested that Claimant's claim be denied in its entirety.

AWARD

On September 18, and September 28, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimants on November 4, 1988 and by the Respondents on January 24, 1989. The hearing was held in Washington, D. C. and consisted of three (3) 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. That Respondents Melhado, Flynn & Associates, Inc. and George M. Motz are jointly and severally liable to the Claimants in the amount of Eleven Thousand Six Hundred and xx/100 Dollars. (\$11,600.00); inclusive of interest.
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 retain the \$400.00 filing fee previously deposited by the Claimant as cost of their forum fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, forum fees in the amount of \$800 is assessed against Respondents jointly and severally. Forum fees shall be made payable to the NASD, INC. through its staff counsel.

ARBITRATORS SIGNATURES

/s/
William H. Malloy, Jr.

/s/
Melvin Richter

/s/
Alexander Heckman

October 11, 1990

4. Pursuant to Section 75 of the Code of Arbitration Procedure, forum fees in the amount of \$800 is assessed against Respondents jointly and forum fees shall be made payable to the NASD, through its Staff Counsel.

5. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain and refund the \$_____ filing fee previously deposited by the Claimant.

William H. Malloy Jr.
William H. Malloy Jr.
Arbitrator #1 Chairman

Melvin Richter
Melvin Richter
Arbitrator #2

Alexander Heckman
Alexander Heckman
Arbitrator #3