

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

PETER J. MAY

Claimant

v.

CASE NO. 88-03531

SHERWOOD CAPITAL, INC.

Respondent

CASE SUMMARY

In a claim initially filed on or about November 4, 1988 and amended on or about January 14, 1989, the Claimant alleged that the Respondent encouraged him to invest in an unsuitable stock purchase. The Claimant further alleged that excessive commissions were charged on the purchase.

The Respondent claimed that the recommendation made to the Claimant was appropriate and consistent with the Claimant's investment objectives. The Respondent stated that the mark-up charges for the purchase were fair and proper and denied liability for the decrease in market price of the stock.

RELIEF REQUESTED

The Claimant originally asked for the return of excessive commissions of \$3,125.00. As amended, the claim sought the return of lost value on the stock of \$13,797 plus the return of the unreasonable commission, lost interest, costs and attorneys fees. In response to the claim and amended claim, the Respondent asked for all claims to be dismissed.

AWARD

On June 22, 1989 in Kansas City, Missouri, in a hearing lasting 2 sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant on November 7, 1988, and by Seth Rosen on behalf of Respondent on February 6, 1989. This matter was originally filed pursuant to the simplified arbitration procedures of Section 13 of the Code. As Amended, the Claim involved greater than \$10,000 in controversy, however the parties agreed to allow a single arbitration to decide their case.

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

1. The Respondent Sherwood Capital, Inc. is hereby liable for and shall pay to the Claimant the sum of Nine Hundred Seventy Eight Dollars and Fifty Six Cents (\$978.56) plus interest at the annual rate of 9% from August 11, 1987 until the date of payment;

2. Each party shall bear its own costs and expenses, including attorneys' fees; and

3. Pursuant to Section 43 of the NASD Code of Arbitration Procedure, the Respondent shall be charged \$800 as forum fees and the Claimant's filing fee shall be refunded. The Respondent is directed to pay \$400 directly to the Claimant in addition to the amount specified in Paragraph 1 above, and to pay \$400 directly to the NASD.

Presiding Arbitrator

Dated:

July 19, 1989

Solbert M. Wasserstrom
Solbert M. Wasserstrom, Esq.