

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

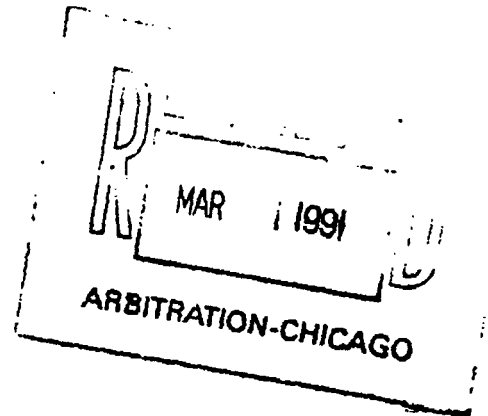
Name of Claimant(s)

Laurie Nolan and Curren Coco

88-03568

Name of Respondent(s)

Blinder Robinson & Co., Inc.
Collins Roussell



Heard before the members of the Arbitration Panel:

Daniel E. Bivins, III

Public Arbitrator

Gerald E. Siefken

Public Arbitrator

Morrell F. Trimble

Industry Arbitrator

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on November 15, 1988. Laurie Nolan and Curren Coco (collectively "Claimants"), alleged that Respondents Blinder Robinson & Co., Inc. ("Blinder") and Collins Roussell ("Roussell"): 1) mismanaged the Claimants' accounts; 2) fraudulently represented to the Claimants that the investments recommended for such accounts were safe and profitable; 3) excessively traded the Claimants' accounts; 4) made unauthorized purchases in the Claimants' accounts; and, 5) failed to disclose that the stocks purchased in the accounts of the Claimants were stocks in which Blinder made a market.

In a Statement of Answer filed with the NASD by Blinder on or about June 16, 1989, Blinder denied any and all allegations of wrongdoing by the Claimants and asserted that Claimants have not alleged any facts to substantiate their demand for the relief requested. Blinder also filed a Third Party Claim against Roussell asserting that if the allegations set forth in the Claimants' claim regarding the conduct of Roussell are true, Roussell's

conduct: 1) was beyond the scope of his employment with Blinder; 2) is a breach of his fiduciary duties to Blinder; and, 3) is a breach of his written contract with Blinder. Blinder then requested that in the event there is an award against Blinder, any and all damages owed by Blinder to Claimants be assessed against Roussell.

There was no answer filed on behalf of Respondent Collins Roussell.

PROCEDURAL SUMMARY

Prior to the date of hearing, Blinder, Robinson & Co., Inc. filed a petition for bankruptcy. The filing of such petition operated as a stay in the commencement of proceedings against the debtor. Therefore, the NASD dismissed the claim without prejudice as to Respondent Blinder, Robinson & Co., Inc.

Respondent, Collins Roussell, did not attend the hearing in this matter. However, the NASD did contact Mr. Roussell notifying him of the hearing date, time and location. Accordingly, the Arbitration Panel took judicial notice of the effectuation of service on Collins Roussell.

RELIEF REQUESTED

Claimants requested actual damages in the amount of \$404,000.00, attorney's fees, consequential damages and interest.

Blinder, Robinson & Co., Inc. requested that any damages awarded against it by the Panel in this matter be assessed against Collins Roussell.

AWARD

On January 14, 1991 in New Orleans, Louisiana during a hearing lasting a total of 2 (two) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Laurie Nolan on her own behalf and as guardian of Curren Coco on November 9, 1988, and signed by Robert L. Lemon on behalf of Respondent, Blinder, Robinson & Co., Inc. on June 15, 1989. There was no submission to arbitration executed by Respondent, Collins Roussell.

After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1). The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD;

2). The Respondent, Collins Roussell is liable for and shall pay to Claimants Laurie Nolan and Curren Coco, damages in the amount of Two Hundred Twenty Four Thousand Five Hundred Eighty Four Dollars Seventeen Cents (\$224,584.17) inclusive of interest;

3). Claimants' request for attorney's fees is hereby dismissed; and,

4). Claimants' request for punitive damages is hereby dismissed; and,

5). The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall refund as forum fees the \$750.00 filing fee previously deposited with the NASD by the Claimants. The Respondent Collins Roussell is assessed forum fees in the amount of Two Thousand Two Hundred and Fifty Dollars (\$2,250.00).

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators Signatures

Date

Daniel Eugene Bivins, III
Daniel Eugene Bivins, III

2-21-91

Gerald E. Siefken
Gerald E. Siefken

2-18-91

Morrell Feltus Trimble
Morrell Feltus Trimble
Industry Arbitrator

- 1). The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD;
- 2). The Respondent, Collins Roussell is liable for and shall pay to Claimants Laurie Nolan and Curren Coco, damages in the amount of Two Hundred Twenty Four Thousand Five Hundred Eighty Four Dollars Seventeen Cents (\$224,584.17) inclusive of interest;
- 3). Claimants' request for attorney's fees is hereby dismissed; and,
- 4). Claimants' request for punitive damages is hereby dismissed; and,
- 5). The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall refund as forum fees the \$750.00 filing fee previously deposited with the NASD by the Claimants. The Respondent Collins Roussell is assessed forum fees in the amount of Two Thousand Two Hundred and Fifty Dollars (\$2,250.00).

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators Signatures

Date

Daniel Eugene Bivins, III

Gerald E. Siefken

Morrell Feltus Trimble
Morrell Feltus Trimble
Industry Arbitrator

2/19/91