

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between :
: Carol D. Nalley :
: Claimant : AWARD
: vs. : #88-03871
: R.B. Marich, Inc. :
: Respondent :

Case Summary

This proceeding was commenced by the Claimant to recover damages from the Respondent arising from an alleged theft from the Claimant by Keith S. Sheldon, a registered representative employed by the Respondent. Claimant's claim was based upon the fact that Sheldon, during the first week of August, 1988, solicited an investment in the amount of \$25,050.00 from Ms. Nalley purportedly to purchase 3,000 shares of a stock called Sea Venture Cruises, Inc. at a price of \$8.35 per share. The securities were purportedly offered and sold by R.B. Marich, Inc. It was alleged that Sheldon used Claimant's funds for personal purposes and never remitted the funds to Respondent.

Claimant sought to hold Respondent responsible for the actions of Sheldon on three grounds: respondent superior, apparent authority and negligent hiring. Respondent denied that it had been negligent in hiring Sheldon, and contended that Sheldon's actions with respect to Claimant were outside the scope of his authority as a registered representative of Respondent, and consequently Respondent was not responsible for his actions or for Claimant's losses.

Relief Request


Claimant requests compensatory damages in the amount of \$25,050.00, plus interest, attorney fees, litigation costs and punitive damages. Claimant also requests damages for physical and emotional injury resulting from Sheldon's theft of her funds. Respondent requests that the claim be dismissed in its entirety and for such other relief as deemed appropriate by the panel.

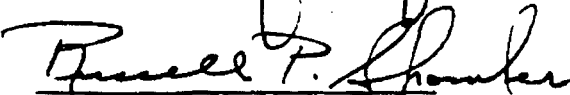
Award

On September 14, 1989, in a two hearing sessions held in Atlanta, Georgia, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on December 20, 1988. The arbitrators, 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. The claim of the Claimant Carol D. Nalley against the Respondent R.B. Marich, Inc. shall be dismissed.
2. The parties shall each bear their respective costs including attorney fees.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant.

This day October 13 , 1989


Christopher J. Moran, Jr.


Russell P. Shomler


Ralph Bornheim