

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Georgene Troffer

Claimant

vs.

Richard Landreau, Vincent Saar
and Anchor National Financial
Services, Inc.

Respondents

AWARD

CASE NO. 89-00274

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on February 1, 1989. Claimant Georgene Troffer alleged that Respondents Richard Landreau ("Landreau") and Vincent Saar ("Saar") induced her into investing in three limited partnerships which were unsuitable given her lack of sophistication regarding investments, her financial needs, stated investment objectives, net worth, annual income and anticipated tax liabilities based on her future earning powers. Claimant also alleges that she relied on Respondents Landreau's and Saar's affiliation with Anchor National Financial Services, Inc. when choosing to do business with them.

Respondents Landreau and Saar allege that full disclosure was made as to the lack of liquidity and the risks inherent in the limited partnerships and that Claimant consulted with her tax advisor before the purchases.

Respondent Anchor National Financial Services, Inc. ("Anchor") states that Respondents Landreau and Saar were independent contractors affiliated with Anchor and that the limited partnerships were not products approved for sale under the aegis of its license. Anchor also states that they had no knowledge of the transactions and had no duty to supervise Landreau and Saar for transactions outside the scope of said affiliation.

DAMAGES AND RELIEF REQUESTED

Claimant seeks to recover the principal sum of \$35,870.00 plus interest, interest on the \$35,000.00 invested in the Point Hamiltair Partnership, attorneys' fees, costs and punitive damages.

Respondents seek dismissal of the claim in its entirety.

DAMAGES AND RELIEF AWARDED

Prior to the evidentiary phase of the hearing, Respondent Anchor made a motion for dismissal based on the running of the statute of limitations.

Said motion was denied.

Punitive damages were assessed against Respondents Landreau and Saar due to actions the arbitrators considered willful misconduct relating to certain limited partnership interests.

On April 19 and 20, 1990 in Los Angeles, California, the undersigned arbitrators heard the controversy in five sessions between the parties as set forth in submissions to arbitration signed by Claimant Georgene Troffer on January 30, 1989, by Respondent Richard B. Landreau on March 14, 1989, by Respondent Vincent Saar on March 15, 1989 and by Respondent Anchor National Financial Services, Inc. on March 22, 1989. 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. Respondent Anchor National Financial Services, Inc. is liable for and shall pay to Claimant Georgene Troffer the sum of Forty Thousand Dollars and No Cents (\$40,000.00) inclusive of interest.

2. Respondents Richard B. Landreau and Vincent Saar are jointly and severally liable for and shall pay to Claimant Georgene Troffer the sum of Thirty-Thousand Dollars and No Cents (\$30,000.00) inclusive of interest.

3. Respondents Richard B. Landreau and Vincent Saar are jointly and severally liable for and shall pay to Claimant Georgene Troffer the sum of Thirty Thousand Dollars and No Cents (\$30,000.00) in punitive damages.

4. The parties shall each bear their respective costs including attorneys' fees.

5. Pursuant to Section 43 of the NASD Code of Arbitration Procedure:


- a. the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant;
- b. Respondent Anchor National Financial Services, Inc. is assessed and shall pay to the National Association of Securities Dealers, Inc. \$660.00 in forum fees; and

- c. Respondents Richard B. Landreau and Vincent Saar are jointly and severally liable for and shall pay to the National Association of Securities Dealers, Inc. \$1,330.00 in forum fees.

PRESIDING ARBITRATORS

DATE SERVED: 06/07/90

Michael Steven Carona



Thomas O'Toole

Diana G. Davis