

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between :
: Sally Cassedy Rachford : AWARD
: Claimant : #89-00628
vs. :
: John P. McEvoy :
: Jeffrey Titer :
: Louis Carmichael :
: Respondent :

Case Summary

Claimant Sally Cassedy Rachford (hereinafter "Claimant") alleged that Respondents John P. McEvoy, Jeffrey Titer and Louis Carmichael (hereinafter "Respondents") placed Claimant in speculative and unsuitable investments without explaining the risks involved. Claimant alleged that Respondents through the actions of McEvoy churned her account. Claimant alleged that Respondent McEvoy opened a margin account for her without explaining the risks of margin and that Respondent Titer placed Claimant's account on margin although Claimant alleged she told Titer that she did not want her account margined. Claimant alleged that Respondents misrepresented the status of her account.

The Respondents individually and jointly denied each and every allegation in Claimant's claim. Respondents maintained that all investment strategies were discussed with and specifically authorized by the Claimant. Respondents maintained that the option trading undertaken and authorized by Claimant was a portion of her overall investment strategy. Respondent McEvoy maintained that he and Claimant discussed purchasing index options for Claimant's account and he disclosed the risks of invested in index options and that Claimant decided to trade index options. Respondents maintained that Claimant was placed in suitable investments and that Respondents should not be held responsible for Claimant's losses.

Relief Requested

Claimant requested the panel award her damages in the amount of \$60,183.00.

Respondents requested that Claimant's claim be dismissed in its entirety.

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between	x	
SALLY CASSEDY RACHFORD	x	
	x	
Claimant,	x	
	x	
vs.	x	
	x	
JOHN P. McEVoy, JEFFREY TITER and	x	
LOUIS CARMICHAEL	x	
	x	
Respondents.	x	

ARBITRATION AWARD

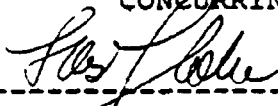
On Tuesday, January 23, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to arbitration signed by Claimant Sally Cassedy Rachford on February 22, 1989 and by Respondents John P. McEvoy, Jeffrey Titer and Louis Carmichael on May 24, May 31 and May 24, 1989, respectively.

The initial claim was filed on February 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 that judgment hereby is rendered against the Claimant and in favor of all Respondents as to all such issues.


The parties each shall bear their respective costs including attorney's fees.

Pursuant to Section 43 of the Code of Arbitration Procedure,
forum fees shall be assessed equally against Claimant and
Respondents: Claimant is assessed forum fees of \$500, against
which her \$500 filing fee shall be credited, so that no further
forum fees are due by Claimant. Respondents are jointly and
severally assessed forum fees in the amount of \$500, which shall
be payable to the National Association of Securities Dealers, Inc.

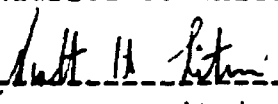
CONCURRING ARBITRATORS



Louis F. Solimine



Maurice O. White



Scott H. Litwin