

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Charles F. Kipp

89-00896

Name of Respondent(s)

Prudential-Bache Securities Inc.
Mel Stumacher

Heard before:

Name

Public/Industry

Barry Goldman, Esq.
Martin S. Hayden
William Pilchak

Public Arbitrator
Public Arbitrator
Industry Arbitrator

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on March 23, 1989. Claimant alleged that Respondents misrepresented the nature of an investment in NRM stock exercising control over the customer's account, preventing him from understanding the nature of the investment. The Claimant alleged that the NRM purchase was totally unsuitable for his investment objectives. Claimant further alleged that the Respondent broker-dealer failed to adequately supervise the associated person's activities in handling the customer's account.

Respondents maintained that the NRM stock investment was suitable for the Claimant, and the Claimant met the suitability requirements for purchasing the stock. Respondents further alleged that it was the Claimant's decision to make the NRM purchase, and any losses were attributable to market conditions at the time.

RELIEF REQUESTED

Claimants requested damages of \$33,000.00 plus interest, costs and attorneys' fees. Respondents requested that the claims of the Claimant be dismissed.

AWARD

On February 15, 1991 in Detroit, Michigan during a hearing lasting two sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Charles F. Kipp on July 13, 1989, by Respondent Prudential Bache Securities, Inc. on September 15, 1989, and by Respondent Mel Stumacher on September 21, 1989. After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of all 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 claims of the Claimant Charles F. Kipp against Respondents Prudential Bache Securities, Inc. and Mel Stumacher be and hereby are dismissed in their entirety.
- (3) The parties shall each bear their respective costs, including attorneys fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

- (1) The NASD shall retain the \$400.00 filing fee previously deposited by the Claimant Charles F. Kipp and hereby assesses an additional \$400.00 in forum fees against the Claimant.

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

Concurring Arbitrator(s) Signature

Barry Goldman, Esq.

Martin S. Hayden



William Pilchak

Date of Decision: March 27, 1991

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