

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Gregory Malley

89-02056

Name of Respondent(s)

Douglas Wright

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about July 21, 1989, Gregory Malley ("Claimant") alleged that Douglas Wright ("Respondent"), a registered representative of Kidder Peabody & Co., made material misrepresentations and omissions regarding the risks associated with Scores and whether the price of the Scores would recover. The Claimant also alleged that the investment was unsuitable for him.

The Respondent denied the claims of the Claimant and further alleged that the Claimant was fully aware of the risks and price fluctuations associated with the Scores investment; and such investment was consistent with his stated investment objectives.

RELIEF REQUESTED

Claimant requested damages in the amount of Four Thousand Eight Hundred Eighty Six Dollars and Sixty Five Cents (\$4,886.65). Respondent requested that the claims of the Claimant be dismissed.

PROCEDURAL MATTERS

Claimant requested, subsequent to the hearing, that he be allowed to amend his claim to name Kidder Peabody & Company as a Respondent.

Subsequent to the hearing, but prior to the issuance of this award, Kidder represented a company which was interested in taking over Arizona Public Service (APS). It was disclosed to the parties at that time that the undersigned arbitrator is an employee of APS and that Kidder was representing a company in an adverse relationship to APS. The Claimant and counsel for the Respondent stated that they did not consider the relationship a conflict of interest.

AWARD

On June 6, 1990 in Scottsdale, Arizona during a hearing lasting a total of two sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on July 17, 1989 by Claimant and on September 28, 1989 by Respondent.

The arbitrator, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Respondent is liable for and shall pay to the Claimant the sum of Four Thousand Eight Hundred Eighty Six Dollars and Sixty Five Cents (\$4,886.65);
2. The Motion to Amend made by the Claimant to name Kidder as a Respondent is denied, however such denial is without prejudice; and
3. Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the NASD shall retain the hearing session deposit of \$100.00 filed by the Claimant

December 21, 1990
Dated

Pamela T. Johnson
Presiding Chair