

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
Suite 1680
Three First National Plaza
Chicago, IL 60602
(312) 899-4440

In the Matter of the Arbitration Between

Name of Claimant(s)

Susan B. Licata

89-02536

Name of Respondent(s)

Summit Investment Corporation

CASE SUMMARY

In a claim filed on or about September 12th, 1989, Claimant alleges that Respondent Summit Investment Corporation failed to properly supervise its employee-broker who sold to Claimant investments which were not suitable for Claimant and which were contrary to Claimant's investment objectives. Also, Claimant states that the employee-broker 1) failed to disclose material facts relative to stocks and 2) traded Claimant's accounts excessively and "churned" the account. Further, Claimant asserts that many of the trades made by such employee were unauthorized.

In an answer filed by Respondent on or about May 12th, 1990 Respondent denies that it failed to properly supervise such employee-broker and asserts the defenses of negligence, ratification, estoppel, and failure to mitigate damages. Respondent also states that the transactions in Claimants accounts appeared suitable for Claimant and that some or all of the alleged improper activities of the employee-broker were outside of the scope of his employment with Respondent. Respondent further asserts that Claimant's losses were caused by her own actions and that Claimant has already been reimbursed by the employee-broker for her losses.

RELIEF REQUESTED

Claimant requests damages in the amount of \$29,576.59 plus attorneys fees and penal damages.

Arbitration

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AWARD

On August 13th, 1990 in Minneapolis, Minnesota during a hearing lasting two sessions the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on September 12th, 1989 by Claimant Susan Licata and on, May 23rd, 1990 by Robert Abrams on behalf of Respondent.

The arbitration panel, 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 Claimant's Claim as asserted is denied in its entirety.
2. Each of the parties shall bear his own respective attorneys fees and costs.
3. Respondent is assessed \$600.00 (Six Hundred Dollars) in forum fees.
4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimant and Claimant is assessed an additional \$200.00 (Two Hundred Dollars) in forum fees.

Arbitrator(s) Signature

Dated: August 13th, 1990 /S/ D. Randall Blohm, Esq.

Dated: August 13th, 1990 /S/ Mr. Thomas Donald Redmond

Dated: August 13th, 1990 /S/ Mr. John Marley Clarey

Date Served: 8-28-90