

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between)

Name of Claimant(s))

James A. Paradise)

) Case NO. 89-02796

Name of Respondent(s))

Raymond, James & Associates, Inc.)

John A. Valldejuli)

William H. Hermanns)

Heard before the Arbitrator:

John E. Cullem, Esq.

Public

REPRESENTATION

Claimant, James A. Paradise ("Paradise"), was represented by Adrian R. Castro, Esq. of the Law Offices of Adrian R. Castro, Esq.

Respondent, Raymond James & Associates, Inc. ("Raymond James"), was represented by in-house counsel Kevin Carrero, Esq.

Respondent, William Hermanns ("Hermanns"), was represented by David Townsend, Esq. of Townsend and Arnold.

Respondent, John Valldejuli ("Valldejuli"), was pro-se.

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on October 11, 1989 and amended November 13, 1990. Claimant alleged that: Respondents were liable for recommending that Claimant invest in options; Respondents should have known that options trading was unsuitable for Claimant in light of his investment objectives; and Respondents misrepresented the risks of trading in options.

Respondent, Raymond James, filed a Statement of Answer with the NASD on February 15, 1990, which was amended on December 3, 1990, denied all allegations of wrongdoing and alleged that: Raymond James was merely the clearing firm; Raymond James had no duty to supervise Hermanns or Valldejuli; and Claimant is estopped from asserting claims against Raymond James since he was informed of the clearing arrangement between Raymond James and the

introducing broker.

Respondent, Hermanns, filed a Statement of Answer with the NASD on March 5, 1990 which was amended on December 5, 1990 and denied all allegations of wrongdoing and alleged that: the Statement of Claim fails to set forth any facts which would give rise to a claim; is untimely and without foundation and is frivolous.

Respondent, Valldejuli, filed a Statement of Answer with the NASD on November 29, 1990 denied all allegations of wrongdoing and alleged that: Claimant was fully informed of the risks involved in options trading and never voiced any objections to the trades.

RELIEF REQUESTED

Claimant requested damages in the amount of \$1,944.54 plus attorney's fees and costs.

Respondent, Raymond James, requested dismissal of the claim plus attorney's fees.

Respondent, Hermanns, requested dismissal of the claim plus costs and attorney's fees.

Respondent, Valldejuli, requested dismissal of the claim.

AWARD

On June 27, 1991, in Tampa, Florida, during a hearing lasting two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant, Paradise, on September 8, 1989 and by Respondent, Hermanns on February 20, 1990 and signed on February 14, 1990 by Dennis W. Zank on behalf of Respondent, Raymond James, and not signed by Respondent, Valldejuli, as required by Sections 12 and 25 of the Code. Respondent, Valldejuli, being a person associated with an NASD Member firm at the time this controversy arose.

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

1. Respondents, Raymond James, Hermanns and Valldejuli, are found not liable and, therefore, all claims against them are hereby dismissed.
2. Claimant's request for attorney's fees and costs is denied.
3. Respondent Raymond James' request for attorney's fees is denied.
4. Respondent Hermanns' request for costs and attorney's fees is denied.

FORUM FEES

1. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of \$50.00 (2 sessions x \$25.00 per session). Claimant is hereby assessed \$50.00 payable to the National Association of Securities Dealers, Inc. The NASD shall retain the \$25.00 previously deposited by the Claimant and apply it toward the \$25.00 non-refundable filing fee.


The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding including attorney's fees.

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

OTHER ISSUES

None.

Concurring Arbitrator's Signature



John P. Cullen, Esq.

Date of Decision:

7/30/91