



Arbitration

N.A.S.D. AWARD

National Association of  
Securities Dealers, Inc.  
One East Broward Boulevard  
Suite 1000  
Ft. Lauderdale, Florida 33301  
(305) 522-7391

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Dean K. Jennings

89-03109

Name of Respondent(s)

Monica Chessie  
Paul Paine

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Heard before the members of the Arbitration Panel:

Nalton Morrow Bennett, Esq.  
James A. Smith, IV  
A. William Cohen, Esq.

**CASE SUMMARY**

This claim was filed with the National Association of Securities, Inc. (NASD) on November 6, 1990. The hearing was conducted in Tampa, Florida on August 17, 1990, October 16, 1990, October 17, 1990, with a total of six (6) sessions.

Claimant, Dean Jennings ("Jennings"), alleged that Respondents, Monica Chessie ("Chessie"), and Paul Paine ("Paine"), were liable for: common law fraud; wire fraud; misrepresentation; violations of Title 18 U.S.C. Section 1343, Section 12(2) of the Securities Act of 1933, Section 10(b) and Rule 10b-5 of the Securities and Exchange Act of 1934, and Sections 517.301 and 517.311 of the Florida Statutes; breach of fiduciary duty; and unsuitability, all relating to purchases of certain stocks.

Respondent, Chessie, alleged that: no prospectus was requested for the Recognition Technology stock; her statements as to all the stocks' profitability were merely predictions; no fraudulent representations were made; Claimant was given complete and accurate information and was not prevented from selling any stocks; no stop/loss orders were possible with pink sheet traded securities and otherwise denied liability.

Respondent, Paine, alleged that: he informed Claimant that stop/loss orders could not be placed on pink sheet traded securities; he did not give Claimant any price predictions nor make any misrepresentations; and Claimant did not inform Paine that he was cashing out of a bond to buy these stocks.

#### RELIEF REQUESTED

Claimant requested damages in the amount of \$13,500.00 punitive damages in the amount of \$40,000.00, costs and attorney's fees.

Respondents requested dismissal of the claim.

#### AWARD

On August 17, October 16 and 17, 1990, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on November 1, 1989, and by Respondents, Chessie, on December 10, 1989, and Paine, on December 26, 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 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 may 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. Respondents, Paine, and Chessie, are found liable. Respondent, Paine, shall pay to Claimant the amount of Seven Thousand Four Hundred and Thirty and 00/100 (\$7,430.00) Dollars, plus interest in the amount of One Thousand Seven Hundred Eighty Three and 20/100 (\$1,783.20) Dollars for a total due to the Claimant of Nine Thousand Two Hundred Thirteen and 20/100 (\$9,213.20) Dollars. Respondent, Chessie shall pay no actual damages to Claimant.

3. Respondents, Paine and Chessie are also found liable and shall pay to Claimant the further amount of Five Thousand Twenty Two and 00/100 (\$5,022.00) Dollars for attorney's fees pursuant to Section 517.211, Florida Statutes of which Two Thousand Five Hundred Eleven and 00/100 (\$2,511.00) Dollars, shall be paid by Paine and Two Thousand Five Hundred Eleven and 00/100 (\$2,511.00) Dollars shall be paid by Chessie.

4. Respondents, Paine and Chessie, are also found liable and shall pay to Claimant the further amount of One Thousand Nine Hundred Twelve and 50/100 (\$1,912.50) Dollars for costs of which Nine Hundred Fifty Six and 25/100 (\$956.25) Dollars shall be paid by Paine and Nine Hundred Fifty Six and 25/100 (\$956.25) Dollars shall be paid by Chessie.

5. Claimant's request for punitive damages is denied.
6. Claimant is hereby assessed Fifty and 00/100 (\$50.00) Dollars for the rental of the speaker phone on October 16 and October 17, 1990.
10. Pursuant to Section 43 of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of Two Thousand Four Hundred and 00/100 (\$2,400.00) Dollars, (6 sessions x \$400.00). Claimant is hereby assessed One Thousand Two Hundred and 00/100 (\$1,200.00) Dollars for which the National Association of Securities Dealers shall retain the Four Hundred and 00/100 (\$400.00) Dollar filing fee previously deposited by Claimant in partial satisfaction thereof. Respondent, Paine, is hereby assessed Six Hundred and 00/100 (\$600.00) Dollars and Respondent, Chessie is hereby assessed Six Hundred and 00/100 (\$600.00) Dollars payable to the NASD, Inc.
11. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

/S/  
Nalton Morrow Bennett, Esq.

/S/  
James A. Smith, IV

/S/  
A. William Cohen, Esq.

DATED: December 17, 1990