

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between/Among

Gloria Y. Chin

Claimant

\* Case 89-03424  
Award

vs.

R. F. Lafferty & Co., Inc.  
Roy A. Foulke, Jr.

\*

Respondent

\*

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CASE SUMMARY

Claimant, Gloria Y. Chin ("Claimant") alleged that Respondents R. F. Lafferty & Co., Inc. and Roy A. Foulke, Jr. ("Respondents") failed to handle Claimant's discretionary account in accordance with her stated investment objectives. Claimant alleged that her account was churned and that Respondent's investment strategy employed in investing Claimant's funds was unsuitable.

Claimant further alleged that her account was traded for Respondents benefit rather than for her own.

Respondents maintained that all trading was done in accordance with the discussions with Claimant, that all transactions were suitable for Claimant and that all transactions were for the benefit of the Claimant and made with her full knowledge and acquiescence.

RELIEF REQUESTED

Claimant requested an award from Respondents in the sum of at least \$100,000.00 with interest, cost, disbursements and reasonable attorneys' fees.

Respondents requested that the Claimant's claim be denied in all respects and that Respondents be awarded costs, disbursements and reasonable attorneys' fees.

AWARD

On Thursday, October 18, and October 22, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant, on November 20, 1989 and by the Respondents on February 7, 1990. The hearing was held in New York City and consisted of three (3) sessions. 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. That Respondent are jointly and severally liable to the Claimant in the sum of Sixty Five Thousand Eight Hundred and Forty-Four and 00/100 Dollars (\$65,844.00); no interest is awarded on this amount. The panel finds that while the Respondents may have done their due diligence with respect to the securities at issue, the securities were, nevertheless, unsuitable for the claimant's discretionary account.
2. The parties shall each bear their respective costs, including attorneys' fees;
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant and that Claimant shall deposit additional \$250.00 to cover her forum fee assessment.
4. Respondents are assessed forum fees in the amount of \$750.00 payable to the NASD, Inc. though its staff counsel in accordance with section 43 of the Code of Arbitration Procedure.

ARBITRATORS CONCURRING

/s/  
David E. Robbins

/s/  
Sylvia Lucas

/s/  
Steven C. Snyder

November 19, 1990