

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Richard W. Rees

No. 90-00228

Name of Respondent

Linda Ross

REPRESENTATION OF PARTIES

For Claimants: Jeff Rees appeared on behalf of Richard Rees.

For Respondents: Linda Ross appeared pro se.

CASE INFORMATION

Statement of Claim filed: January 19, 1990.

Claimant's Submission Agreement signed on: January 16, 1990.

Statement of Answer filed by Respondent, Linda Ross
on or about February 7, 1992.

Respondent Linda Ross' Submission Agreement signed on: February
4, 1992.

HEARING INFORMATION

Hearing dates: March 24, 1992. One Session.

Hearing Location: Houston, Texas.

CASE SUMMARY

Claimant Richard W. Rees ("Claimant") alleged unauthorized trades in his account by Respondent Linda Ross ("Respondent"). On July 7, 1987, Claimant had invested in the Thompson McKinnon Investment Growth Fund. Due to Respondent's alleged verbal abuse, Claimant did not invest any further funds with Respondent. The alleged verbal abuse also caused Claimant to attempt, on October 16, 1987, to contact Thompson McKinnon's headquarters and sell his Investment Growth Fund position and purchase the Thompson McKinnon Short Term Fund. Claimant had only specified the trade to take place on October 16, 1987. Claimant could not get the order executed. Claimant stated that he had received a note from Respondent that she had sold the fund and put the proceeds into the Thompson McKinnon Money Market Fund. Claimant alleged making complaints to management at Thompson McKinnon. Claimant further alleged that another unauthorized trade had taken place on March 17, 1988, when the funds placed in the Money Market Fund had been transferred to Thompson McKinnon's Income Funds, by Respondent. Claimant stated that he had made complaints again to Thompson McKinnon's management. Lastly, Claimant alleged that he had not authorized the trades, and was alleged to be in direct violation of any agreement Claimant had with Respondent, Respondent was in violation of National and State Securities Laws, and that Respondent was in violation of the Texas Deception Trade Practices Act.

In her Statement of Answer, Respondent denied all of the Material allegations contained in the Statement of Claim. Respondent also alleged that she had never been contacted concerning any trades, that Claimant had placed the sell order on October 16, 1987, and was executed the next trading day, October 19, 1987. Respondent stated that she told Claimant she would reverse the October 19, 1987, trade. She alleged that Claimant never gave her any indication that he wanted this to happen. In addition, Respondent stated that Claimant kept his funds in the Money Market Fund until April 1, 1988. Respondent further alleged that Claimant has not claimed a monetary loss from the March 17, 1988 trade. Lastly, Respondent alleged that Claimant had settled with Prudential-Bache Securities, Inc. in November of 1991 for \$800.00.

RELIEF REQUESTED

Claimant requested: compensatory damages in the amount of \$1,205.87 plus simple interest at 11.95% since October 19, 1987; equitable damages in that Claimant requested that Respondent apologize to him and that the NASD bar Respondent and Thompson McKinnon from selling securities; reimbursement of other out-of-pocket expenses; plus his time at \$40 per hour.

Respondent requested that Claimant's claims be denied.

OTHER ISSUES CONSIDERED & DECIDED

At the hearing, Claimant filed a trial brief with the Chairman. Respondent objected to submission because she was not given a copy 10 days prior to the hearing, and did not receive a copy until the morning of the hearing. After heavy argument, and deliberation, the Chairman denied accepting Claimant's brief.

The parties have agreed that the Award in this matter may be executed by a counterpart copy 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 original remains on file with the NASD.

AWARD

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

1. Respondent Linda Ross is liable for and shall pay to Claimant Richard N. Rees the sum of \$1.00 as satisfaction of his claim for compensatory damages herein;
2. All other claims made by Claimant are hereby denied and dismissed; and
3. Respondent Linda Ross shall pay all hearing costs of this arbitration.

FORUM FEES

Pursuant to Section 43 (c) of the NASD Code of Arbitration Procedure, the following forum fees are assessed:

one hearing session X \$ 25.00 = \$ 25.00

Pursuant to Section 43 (c) of the Code of Arbitration, the NASD shall retain the nonrefundable filing fee in the amount of \$25.00 and shall refund the hearing session deposit in the amount of \$25.00 previously paid to the NASD by the Claimant.

Respondent Linda Ross is liable for and shall pay to Claimant the sum of \$25.00 as a return for filing fees paid by Claimant to initiate this arbitration.

Pursuant to Section 43 (c) of the Code of Arbitration Procedure,

Respondent Linda Ross is liable for and shall pay to the NASD the hearing session costs incurred on March 24, 1992, in the amount of \$25.00.

Dated:

March 24, 1992

/s/Bentley Nettles
Bentley Nettles
Presiding Chair
Public Arbitrator