

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration
Between and Among

ROMAINE C. MATHEWS,

Claimant,

Case No. 90-00703

vs.

ADVEST, INC., LAWRENCE CORNA
AND BOB FOX,

Respondents.

AWARD

Case Summary

Claimant Romaine Mathews ("Claimant") alleged that Respondent Lawrence Corna ("Corna") made material misrepresentations to her husband, George Mathews, now deceased, to induce him to purchase Putnam High Income Government Trust Fund ("Putnam") and Buckeye Financial Corporation ("BCKY"). Claimant alleged that Corna represented Putnam had an 11% rate of return and that there were no commissions or fees when purchasing Putnam. Claimant alleged that Corna represented he had inside information on BCKY and that the shares of BCKY would increase by five to ten dollars a share in the next few weeks. Claimant alleged that based on this representation her husband purchased BCKY for her account. Claimant alleged that Respondents placed her account on margin although she did not understand margin. Claimant alleged her husband was forced to borrow money in order to prevent Respondents from liquidating BCKY stock.

Respondents maintained that Corna never guaranteed a certain rate of return on the Putnam investment. Respondents maintained that Claimant was sent a Prospectus which provided details regarding Putnam. Respondents maintained that they never told Claimant they had inside information regarding BCKY. Respondents maintained that Claimant was told that insiders were purchasing BCKY and provided Claimant with public information supporting that fact. Respondents maintained that Claimant was never promised that the BCKY would rise \$5-\$10 a share.

Relief Requested

Claimant requested compensatory damages in the amount of \$30,563.98 plus eleven percent interest from the date of purchase of BCKY. Claimant also requested compensatory damages on the Putnam investment in the amount of approximately \$5,000.00. Claimant requested punitive damages in the amount of \$100,000.00.

Respondents requested an award in their favor, that Claimant's claim be dismissed and that they be awarded their costs in defending this matter.

Award

On December 13 and 14, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant, on March 5, 1990, by Respondent Advest, Inc. on November 12, 1990, and by Respondent Lawrence Corna on November 26, 1990. Respondent Bob Fox did not properly execute his submission agreement; however, he did attend the hearing, was represented by counsel and had an

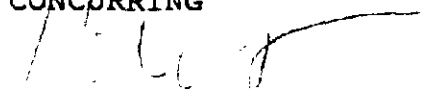
answer filed on his behalf. Pursuant to Section 12(a) of the Code of Arbitration Procedure, the arbitration panel exercised its jurisdiction over Respondent Bob Fox. The hearing was held in Columbus, Ohio and consisted of 3 sessions. The hearing was held concurrently with Case No. 90-00170 pursuant to a prior order of consolidation. 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. Although the account involved in this matter was in the name of Romaine Mathews, the evidence was clear that all significant communications involving the account were made through George Mathews, Claimant's deceased husband. The evidence that Claimant was able to produce subsequent to her husband's death was simply insufficient to prove the allegations made against the Respondents. Accordingly, the Panel finds in favor of the Respondents on all claims.

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 refund the \$500.00 filing fee previously deposited by the Claimant.

ARBITRATORS CONCURRING


Chairman


Member


Member

DATED: January 31, 1991