

Scogan

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between:

RICHARD AND DONNA BOLGER

CLAIMANTS

V.

MUTUAL SERVICES CORPORATION

RESPONDENT

**AWARD
#90-01126**

CASE SUMMARY

The Statement of Claim was filed with the NASD, Inc. on April 19, 1990.

Claimants, Richard and Donna Bolger alleged that they were unsophisticated investors when, Respondent, Mutual Services Corporation, failed to fully inform them of the risks involved in investing in below investment grade bonds and invested the majority of their savings in National Bond Fund on October 27, 1987. Claimants contended that not disclosing said risks constituted misrepresentation, that Respondent violated Claimants' stated investment objectives of safe and moderate growth and that Claimants suffered substantial losses when they were forced to liquidate their investment.

Respondent, Mutual Services Corporation, denied all allegations of wrong-doing and maintained that Claimants were sophisticated investors who were fully aware of the risk involved in the purchase of the National Bond Fund. Respondent further maintained that all decisions to purchase or liquidate were made by Claimants.

RELIEF REQUESTED

Claimants requested an award in the amount of \$17,996.16 and treble damages in the form of sanctions against Respondent.

Respondent requested dismissal of the Claim and requested that costs of this proceeding be assessed against Claimants.

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AWARD-#90-01226

AWARD


On January 4, 1991, the undersigned arbitrators heard the controversy between the Parties as set forth in submission to arbitration signed by the Claimants, Richard and Donna Bolger on April 16, 1990 and by Respondent Mutual Services Corporation on June 13, 1990. The hearing was held in Southfield, MI and consisted of two (2) 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. The Claims of the Claimants, Richard and Donna Bolger, against Respondent, Mutual Services Corporation, shall be and hereby are dismissed in all respects;
2. The Parties shall each bear their respective costs, including attorneys' fees;
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the NASD, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant;
4. Respondent, Mutual Services Corporation is assessed forum fees in the amount of \$500.00 payable to the NASD., Inc. through its staff administrator in accordance with Section 43 of the Code of Arbitration Procedure.


ARBITRATORS CONCURRING



ROBERT J. SCAFURI (Public-Chairman)



MARTIN S. HAYDEN (Public-Panelist)



RICHARD L. COSKEY (Industry-Panelist)

DATED BY NASD
MARCH 12, 1991