

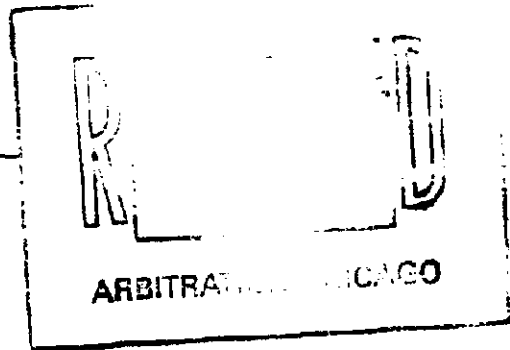
N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Agnes M. & John F. McDonnell



90-01542

Name of Respondent(s)

Robert W. Baird & Co., Inc.
Rosanna Lucero-Torrez

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on May 31, 1990. Claimants Agnes M. McDonnell and John F. McDonnell alleged that Respondents Robert W. Baird & Co., Inc. and Rosanna Lucero-Torrez induced them to invest in the Putnam Option Income Trust II by falsely representing that it was a secure and low-risk fund which was government-insured against loss, it could be interchanged with other Putnam funds at no cost or expense to Claimants, and their investment could be withdrawn and converted to cash without penalty. Claimants further alleged that the primary investment objective and strategy of the Putnam Option Income Trust II was incompatible with the Claimants' investment objectives and inconsistent with the Claimants' instructions to Respondent Lucero-Torrez as to those objectives. Respondent Baird & Co. is alleged to have failed to properly supervise Respondent Lucero-Torrez. The above actions complained of were alleged to have violated federal and state securities laws, and the NASD Rules of Fair Practice.

In a Statement of Answer filed with the NASD on July 20, 1990, Respondents Robert W. Baird & Co., Inc. and Rosanna Lucero-Torrez denied all allegations of wrongdoing, stating that Claimants were fully advised of the characteristics of the fund and received a prospectus at the time the investment was made.

RELIEF REQUESTED

Claimants Agnes M. McDonnell and John F. McDonnell request entry of an award against Respondents in the amount of \$32,953.06 plus interest from the date of loss at the judgment rate in the State of New Mexico, attorneys' fees and costs.

Respondents Robert W. Baird & Co., Inc. and Rosanna Lucero-Torrez requested that the Statement of Claim be dismissed and denied in its entirety and that they be awarded their costs and disbursements in the action, including attorneys' fees.

AWARD

On January 17, 1991 in Albuquerque, New Mexico during a hearing lasting two sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Agnes M. McDonnell and John F. McDonnell on May 25, 1990, by Respondent Rosanna Lucero-Torrez on July 18, 1990, and by Glen F. Hackman on behalf of Respondent Robert W. Baird & Co., Inc. on July 19, 1990.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be executed. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Robert W. Baird & Co., Inc. is liable for and shall pay to Claimants Agnes M. McDonnell and John F. McDonnell the sum of \$11,408.06 plus interest of \$3,422.40;
2. In addition, Respondent Robert W. Baird & Co., Inc. is liable for and shall to Claimants Agnes M. McDonnell and John F. McDonnell the sum of \$400.00 for reimbursement of the filing fee previously deposited with the NASD by the Claimants;
3. The total amount awarded to Claimants is \$11,808.06;
4. The claim against Rosanna Lucero-Torrez is hereby dismissed and denied;
5. Each party shall bear their own costs, including attorneys' fees, except for those specifically enumerated herein.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed:

1. The National Association of Securities Dealers, Inc. shall retain as forum fees the \$120.00 non-refundable filing fee and the \$280.00 hearing session deposit previously deposited with the NASD by the Claimants;
2. Respondent Robert W. Baird & Co., Inc. is liable for and shall pay to the NASD additional forum fees in the amount of \$520.00.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator(s) Signature

Ross B. Perkal

Ross B. Perkal, Esq.
Presiding Chair

Date of Decision:

1/17/91

Howard E. McCall

Date of Decision:

Larry W. Sisson
Industry Arbitrator

Date of Decision:

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator(s) Signature

Ross B. Perkal, Esq.
Presiding Chair

Date of Decision: _____

Howard E. McCall
Howard E. McCall

Date of Decision: 1/17/91

Larry W. Ellison
Larry W. Ellison
Industry Arbitrator

Date of Decision: 1-17-91