

201451

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

ADMINISTRATION - CHICAGO

In the Matter of the Arbitration Between

Name of Claimant(s)

Patricia A. Tugman, Ind. & as
Parent and Custodian for
Justin J. Tugman

90-01768

Name of Respondent(s)

Chatfield Dean & Co., Inc.
John W. Watton
Michael A. Lapp

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about June 22, 1990, Patricia A. Tugman, individually, and as Parent and Custodian for Justin J. Tugman ("Claimant") alleged that John W. Watton ("Watton") and Michael Lapp ("Lapp") while employed as registered representatives by Chatfield Dean & Co., Inc. ("Chatfield") (collectively as "Respondents") made material misrepresentations to induce her to purchase shares of stock in NIN Communications, Inc. ("NIN") and northwest Passage N. A. for her account and for the account of her minor child. Claimant also alleged that Respondents purchased without authorization an additional 50,000 shares of NIN. Claimant further alleged that the investments were not suitable for her or her minor child in light of her stated investment objectives.

In their joint answer and counterclaim filed with the NASD on or about August 16, 1990, Respondents denied soliciting the transactions which are the subject matter of this dispute. Respondents specifically stated that it was Claimant who initiated the discussions of NIN stock. Respondents further stated that Claimant had indicated to them a change in her investment objectives and that these investments were consistent with the new investment objectives. Respondents stated that Claimant was a knowledgeable and experienced investor.

RELIEF REQUESTED

Claimant requested an award in the amount of \$10,000.00.

Respondents requested that the Statement of Claim be denied and that they be awarded attorney's fees and costs.

PROCEDURAL MATTERS

The Counterclaim filed by the Respondents was voluntarily withdrawn prior to the appointment of an arbitrator. Therefore the Counterclaim and Claimant's Response thereto were not considered by the arbitrator.

AWARD

As the arbitrator appointed to decide the matter in controversy between the parties as set forth in submissions to arbitration on June 18, 1990 by Patricia A. Tugman, individually and as parent and custodian for Justin J. Tugman on August 9, 1990 by Sanford D. Greenberg on behalf of Respondent Chatfield Dean & Co., Inc. on August 9, 1990 by Respondent John W. Watton and on August 9, 1990 by Respondent Michael A. Lapp. I have considered the pleadings, and the evidence submitted in this matter without a hearing pursuant to Section 13 of the NASD Code of Arbitration Procedure and have decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim shall be and hereby is denied and its entirety;
2. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter; and
3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the hearing session deposit in the amount of \$75.00 previously deposited with the NASD by the Claimant. The NASD shall refund the \$50.00 balance of the claimant's deposit.

Dated:

4-23-91


Carol J. Zamperini
Presiding Chair