

N.A.S.D. AWARD  
NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Huguette Wilson Family Trust

90-02089

Name of Respondent(s)

Stuart James Company, Inc.

REPRESENTATION

Claimant was represented by Alexander L. Haus, Esq.

Respondent Stuart-James was represented by John McBride, Esq.

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on July 24, 1990.

Claimant, Huguette Wilson, as Trustee of the Huguette Wilson Family Trust (Wilson) alleges that Respondent Stuart-James Investment Company, Inc. induced claimant into purchasing high-risk "penny stocks" when they knew or should have known that said purchases were unsuitable in light of claimant's investment objectives which were safety of principal and income.

Respondent, Stuart-James, alleges that Wilson was fully informed of the high risk involved in the purchases and ratified the transactions. Respondent also asserts that Wilson's suitability claim has no basis in law or fact, and is barred by the doctrine of estoppel, waiver and failure to mitigate damages.

RELIEF REQUEST

Claimant, Wilson, seeks to recover principal and interest in the sum of \$23,233.96

Respondent, Stuart-James, seeks dismissal of the claim in its entirety.

AWARD

On July 23, 1991, in Los Angeles, California, during a hearing lasting one session, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant, Huguette Wilson, as Trustee for the Huguette Wilson Family Trust on July 24, 1991 and signed by Marc N. Gaman on behalf of Respondent, Stuart-James Investment Company Inc., on October 22, 1991.

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

1. Each and every claim of Claimant, Huguette Wilson, Trustee of the Huguette Wilson Family Trust, against Respondent Stuart-James Investment Company, Inc. is dismissed.
2. The parties shall each bear their respective costs including attorneys' fees.

#### FORUM FEES

In accordance with Section 43c of the NASD Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrator.

#### OTHER ISSUES

All claims against Respondent David (aka John) McLellan were dismissed by Claimant prior to the hearing.

#### ARBITRATOR

Name

Joseph J. Aron

Public/Industry

Public Chairperson

#### Arbitrator's Signature

  
Joseph J. Aron

Date of Decision: Aug 7 99

Case Served 8/21/1991