

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

John and Lynn Osland

90-02328

Name of Respondents

Wedbush Morgan Securities, Inc.
Karen Ching-Carter
Robert Tasker

REPRESENTATION

For Claimants John and Lynn Osland: Gene R. Thornton, Esq. of Hopper, Kanouff, Smith, Peryan & Terry, Denver, Colorado.

For Respondents Wedbush Morgan Securities, Inc., Karen Ching-Carter, and Robert Tasker: Terry Ross, Esq. of Keesal, Young & Logan, Long Beach, California.

CASE INFORMATION

Statement of Claim filed: August 22, 1990.

Claimant's Submission Agreement signed on: November 6, 1990.

Joint Statement of Answer filed by Respondents, Wedbush Morgan Securities, Inc. and Robert Tasker on: January 25, 1991.

Amended Statement of Answer filed by Respondents, Wedbush Morgan Securities, Inc., Robert Tasker, and Karen Ching-Carter on: June 11, 1991.

Respondent, Wedbush Morgan Securities, Inc.'s Submission Agreement signed on: January 25, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: March 2, 1992 for two (2) sessions.
March 17, 1992 for two (2) sessions.

Hearing Location: Denver, Colorado.

CASE SUMMARY

Claimants John and Lynn Osland ("Osland") alleged that Respondent Wedbush Morgan Securities, Inc., through its broker, Respondent Karen Ching-Carter ("Carter") and supervisor, Respondent Robert Tasker, are liable for breach of contract, negligence, breach of fiduciary duty, common law fraud, and violation of the Colorado Securities Act of 1981. More specifically, Osland alleged that Carter purchased investments which were unsuitable in light of their conservative long-term growth investment objective. Osland alleged that Carter purchased shares of Haber, Inc. in which Wedbush was a market maker; Osland further alleged that said knowledge would have been material to his decision. Osland also alleged that Carter's recommendation to margin their mutual funds was unsuitable. Carter also sold Osland's shares of Wendy's stock without authorization.

Respondents Wedbush Morgan Securities, Inc. and Robert Tasker ("Respondents") alleged that Osland knew that Wedbush was a market maker for Haber stock. Respondents further alleged that although Carter made various recommendations to the Oslands, Osland ultimately made all the investment decisions for the accounts. Respondents further alleged that the mutual funds were margined pursuant to the request of Osland. Respondents asserted a cross-claim against Karen Ching-Carter for indemnification and contribution.

Respondents Wedbush Morgan Securities, Inc. and Robert Tasker amended their answer to respond on behalf of Respondent Karen Ching-Carter, too. Said respondents also withdrew their cross-claim against Karen Ching-Carter.

RELIEF REQUESTED

Claimants requested the panel award them relief in the nature of rescission or damages in amounts to be proven at the arbitration hearing, together with costs, forum fees, interest, and attorney's fees, all as to be proven at the arbitration hearing.

Respondents requested the Oslands take nothing and that Respondents be awarded their costs and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

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

AWARD

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

1. Respondents Wedbush Morgan Securities, Inc., Robert Tasker, and Karen Ching-Carter shall be jointly and severally liable for and shall pay to the Claimants John and Lynn Osland damages in the amount of \$10,500.00. Said sum includes an interest factor from the date of loss to the date of the award;

2. The claim for punitive damages are denied;

3. Each party shall bear their own costs and expenses incurred, including attorney's fees, other than those specifically enumerated herein.

FORUM FEES

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

4 sessions X \$750 = \$3,000 minus hearing session deposit of \$750 = net \$2250 due.

Claimants John and Lynn Osland shall pay to the NASD additional forum fees in the amount of \$750. Respondent Wedbush Morgan Securities, Inc. shall pay to the NASD additional forum fees in the amount of \$1500.

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

By The Arbitration Panel:

Dated: _____

Gerald Raskin, Esq.
Public Arbitrator, Chairman

Fred Roeker
Public Arbitrator

Dunn Krahl
Industry Arbitrator

March 27, 1992

AWARD

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

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2. The claim for punitive damages are denied;

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By The Arbitration Panel:

Dated:

Gerald Raskin, Esq.
Public Arbitrator, Chairman

Fred Roacher
Fred Roacher
Public Arbitrator

Dunn Krahl
Industry Arbitrator

3/27/92

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

By The Arbitration Panel:


Gerald Raskin, Esq.
Public Arbitrator, Chairman

Dated:

3/26/92

Fred Roacker
Public Arbitrator

Dunn Krahf
Industry Arbitrator