

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Robert and Margaret Vertz

Claimants

vs.

John S. Gill and Roy M. Henry

Respondents

AWARD
Case #90-02343

CASE SUMMARY

Pro Se Claimants, Robert and Margaret Vertz, in a claim filed with the National Association of Securities Dealers, Inc. on August 24, 1990, alleged that Respondent John S. Gill, representing First Financial Planners, with the approval of Respondent Roy M. Henry, President of First Financial Planners, recommended unsuitable investments and misrepresented the safety of those investments. They state that the recommendations were motivated by commissions to be generated and were not consistent with Claimant's stated goals. They state that most of the questioned investments were limited partnerships.

Respondent, John S. Gill, Pro Se, maintained that all of his recommendations to Claimants were not motivated by commissions but were and always have been a genuine effort to aid Claimants in achieving their stated financial goals and objectives. He provides clarifications and objections to various aspects of the Claim, states that Claimants are highly sophisticated investors and that he did not give any absolute assurances to the potential performances of any investments. He continues that in the event that the Claim is upheld, all proceeds should be paid out of the First Financial Planners Securities, Inc. Errors and Omissions Funds to which he contributed for over two years to cover contingencies such as this.

Respondent, Roy M. Henry, Pro Se, maintains that he should be summarily dismissed from the Claim as he did not have any personal dealings with Mr. and Mrs. Vertz. He continues that the actions complained of in the Statement of Claim are allegedly inappropriate investment recommendations of John Gill who is no longer associated with FFP. However, he responds to the allegations that, in his opinion, Mr. and Mrs. Vertz were suitable for the investments cited in their claim (limited partnerships and annuities), that they received prospectuses identifying any risks involved and that no guarantees were or could be made and, therefore, Mr. and Mrs. Vertz are not entitled to make a recovery simply because a loss occurred.

Claimants reply to Mr. Gill's Answer that their primary goal had always been retirement at age fifty eight (58) and that tax savings were included only because of Mr. Gill's input. They state that they are not sophisticated investors but savers and provide corrections and clarifications to various points in Mr. Gill's Answer. In conclusion, Claimants affirm that their request for Ten Thousand Dollars and No Cents (\$10,00.00) in damages is minimal in view of the havoc professional money management has caused.

RELIEF REQUESTED

Claimants request restoration of their IRA assets to their original value, approximately Four Thousand Five Hundred Dollars and No Cents (\$4,500.00) and return of commissions generated on the Limited Partnerships, assumed to be 7% or Five Thousand Five Hundred Dollars and No Cents (\$5,500.00)

Respondent Roy M. Henry requests immediate dismissal of the Claim against him.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Herbert Lasky, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 20, 1990 and by the Respondent John S. Gill October 4, 1990 and not by Roy M. Henry as required by Section 13(d) of the Code of Arbitration Procedure.

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That the Claim of Robert and Margaret Vertz be, and hereby is, dismissed in its entirety against Respondents John S. Gill and Roy M. Henry.
2. The One Hundred and Fifty Dollar (\$150.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, HERBERT LASKY, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

7/8/1
1991