

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Louise Avallone

Claimant

vs.

Gordon Scott Venters

Respondent

Case #90-02453  
AWARD

CASE SUMMARY

Louise Avallone, in a claim filed with the National Association of Securities Dealers, Inc. on September 5, 1990, alleged that Respondent and broker, Gordon Scott Venters, made unsuitable recommendations of high risk investments. She states that she is seventy-six years of age, unsophisticated in the market and has limited income and assets.

Respondent, Gordon Scott Venters, requested a complete copy of all pleadings and discovery in the above-captioned case. This information was sent to him and to his assisting attorney, John Giordano of Bush Ross Rudy & Wagner, P.A., on January 31, 1991. Respondent maintains that Claimant solicited information concerning low-priced speculative securities, was fully informed of the risks involved in the stock she purchased and was told that they were not suitable for a person of her age. He continues that Claimant agreed to purchase stock with her "disposable capital." Mr. Venters states that losses incurred were the result of F.D. Roberts Securities, Inc.'s bankruptcy.

Claimant replies that risk factors were not discussed, that Respondent recommended that she sell short and basically re-asserts the allegations of her Claim.

Respondent affirms his Answer and states that he always worked in the best interest of his client and that he had no idea anything was wrong with stocks in which F.D. Roberts made a market. He continues that Claimant's loss had nothing to do with his recommendation of the security but was a problem in the trading of the security and with the principals running F.D. Roberts Securities.

RELIEF REQUESTED

Claimant requests Two Thousand Three Hundred Three Dollars and No Cents (\$2,303.00) in compensatory damages plus One Hundred Seventy Five Dollars and No Cents (\$175.00) for punitive damages.

Respondent requests a decision that he is not liable for Claimant's losses.

AWARD

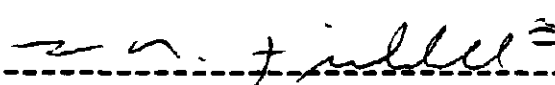
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Guy R. Friddell, III, Esq. was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 30, 1990 and not by the Respondent 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 Respondent, Gordon Scott Venters, is liable and shall pay to the Claimant, Louise Avallone, the sum of Eight Hundred Ninety Nine Dollars and No Cents (\$899.00);
2. That the Claimant's request for punitive damages be, and hereby is, dismissed.
3. The Twenty Five Dollar (\$25.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, GUY R. FRIDDELL, III, 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.

  
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Signature of Arbitrator

DATED: 5/24/91