

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Madra Clapp

vs.

Case
#90-02936

Name of Respondent

John Weldon

REPRESENTATION

Claimant, Madra Clapp ("Claimant") represented herself.

For Respondent, John Weldon ("Respondent"), Andrew Goodman, Esq., from the law firm of Rosner Goodman & Sullivan, located in New York, New York.

CASE INFORMATION

Statement of Claim filed was filed on October 16, 1990.

Claimant's Submission Agreement was signed on October 16, 1990.

Respondent did not file a Statement of Answer, or execute a Submission Agreement.

HEARING INFORMATION

Hearing Date/Sessions: August 8, 1994 - 1 session.

Hearing Location: NASD offices, located at 260 Franklin Street, Boston, Massachusetts.

CASE SUMMARY

Claimant alleges that she sustained losses in her account at Prudential-Bache as a result of Respondent's mishandling of her account. Claimant states that after her relationship with her friend whom she relied on for assistance in handling her account ended, Respondent referred her to Edmund Peaslie and she gave him power of attorney to handle the day to day trading in her

account.

Claimant also alleges that during in October, 1987 when the market declined, she contacted Respondent about her account and he assured her that Peaslie had placed sell orders so that her \$80,000 principal investment was in tact but she had only lost profits. Claimant further alleges that she later learned that Respondent had not executed the orders as instructed by Peaslie and that the value of her account was \$39,000. Claimant also states that Respondent caused her to invest in commodities and that this manner of trading further reduced her principal.

Claimant contends that she later learned that Respondent's employment was terminated by Prudential because he churned accounts, co-mingled her shares with his wife's and mother's accounts and engaged in futures trading which was not permitted by his employer Prudential Bache. Claimant further states that Peaslie felt responsible for his clients whom he placed naked puts.

Respondent appeared at the hearing, denied the allegations and denied liability.

RELIEF REQUESTED

Claimant requests an award of \$38, 000.00 plus interest for losses in her regular account and \$8,500.00 plus interest from October 19, 1987 for losses in the futures account.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies and agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

Respondent requested and was granted a postponement of the hearing that was scheduled of July 7, 1994. This panel also assessed a \$400.00 fee in connection with this postponement.

AWARD

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

All claims asserted by Claimant against Respondent are denied in their entirety.

FORUM FEES

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

\$120.00 - Non-refundable Filing Fee

\$400.00 - 1 Hearing Session

\$520.00 = Total Fees

- 1) Claimant is assessed \$520.00 in forum fees. Claimant previously paid \$520.00.
- 2) Respondent is assessed \$400 in connection with the postponement. Respondent paid \$520.00 and is entitled to a refund of \$120.00.

ARBITRATION PANEL

Warren D. Hutchison, Esq.	-	Public Chairperson
Kevin J. Mulrey	-	Industry Panelist
Paul R. Anderson	-	Public Panelist

Concurring Arbitrator's Signature

Paul R. Anderson

Date of Decision: _____

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Kevin J. Mulrey

Date of Decision: _____