

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Carl R. and Meredith M. Faix

90-03190

Name of Respondents

Janney Montgomery Scott, Inc.
Earl B. Marks

REPRESENTATION

For Claimant: John E. Corbett, Esq.
For Respondents: Richard S. Israel, Esq. of Archer & Greiner.

CASE INFORMATION

Statement of Claim filed: November 12, 1990.
Claimants' Submission Agreement signed: November 6, 1990.

Statement of Answer filed by Respondents: May 7, 1991.
Janney Montgomery Scott's Submission Agreement signed: June 24, 1991.
Earl B. Marks's Submission Agreement signed: June 27, 1991.

HEARING INFORMATION

Hearing Date/Sessions: September 26, 1991/ 2 sessions.
Hearing Location: Offices of the National Association of Securities Dealers, Inc. ("NASD"), in Philadelphia, PA.

CASE SUMMARY

Claimants, Carl R. and Meredith Faix (hereinafter, "Claimants"), alleged that they purchased Southmark Corporation bonds on the advice of Respondent Earl B. Marks ("Marks"), an employee of Respondent Janney Montgomery Scott, Inc. ("Janney"), and that these bonds were inappropriate for the Claimants in light of their financial needs and stated investment objectives.

Janney and Marks denied all allegations of wrongdoing, and contended that the Claimants authorized the purchase of the bonds with full knowledge of the mechanics and inherent risks involved.

RELIEF REQUESTED

Claimants requested actual damages of \$8,251.19, plus interest, costs and attorney's fees. Respondents requested dismissal of all claims made against them, plus costs.

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:

1. Respondents, Janney and Marks, be and hereby are jointly and severally liable and shall pay to the Claimants, Carl R. and Meredith Faix, the total sum of Four Thousand Dollars and No Cents (\$4,000.00), inclusive of interest.
2. The parties each shall bear their respective costs including attorneys' fees.

FORUM FEES

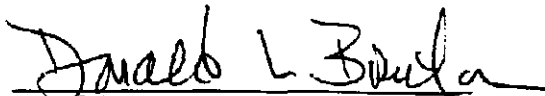
Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

2 sessions x \$200.00 per session = \$400.00

The Claimants and Respondents shall equally share in the Forum Fees.

Therefore, the NASD shall retain the \$275.00 previously deposited by the Claimants (\$75.00 of which represents the non-refundable claim filing fee and \$200.00 of which shall be applied toward the forum fees due and owing). In addition, Respondents, Janney and Marks, be and hereby are jointly and severally liable and shall pay to the NASD the sum of \$200.00 to represent the balance of forum fees due and owing.

Arbitrator's Signature



Donald L. Bruton, Esq. (Public Arbitrator)

Date of Decision: October 2, 1991