



N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Arbitration

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, N.Y. 10004
FAX (212) 858-4389

In the Matter of the Arbitration Between

Name of Claimant

Frank R. Mead III

90-03328

Name of Respondents

Kidder, Peabody & Co., Incorporated
Stuart Carter

REPRESENTATION

For Claimant Frank R. Mead, III ("Claimant"): Mark V. Evans, of Hood Law Firm.

For Respondents Kidder Peabody, & Co., Incorporated ("Kidder") and Stuart Carter ("Carter"): Matthew Farley, of Shanley & Fisher.

CASE INFORMATION

Statement of Claim filed: there was no date on the Statement of Claim; however, it was received by the NASD on November 23, 1990.

Amended Statement of Claim filed: August 16, 1991.

Claimant's Submission Agreement signed on: October 26, 1990.

Joint Statement of Answer filed by Respondents on: March 22, 1991.

Joint Amended and Supplemental Statement of Answer filed by Respondents on: September 6, 1991.

Respondent Kidder's Submission Agreement signed on: March 13, 1991.

Respondent Carter's Submission Agreement signed on: September 30, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: December 9, 1991/2 sessions
December 10, 1991/2 sessions
February 3, 1992/2 sessions
February 4, 1992/2 sessions

Hearing Location: Southfield, MI.

CASE SUMMARY

Claimant alleged Carter had discretion to trade in his accounts; churned the accounts; and adopted an unsuitable investment strategy, regarding options trading. Claimant alleged Kidder failed to exercise due diligence

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AWARD
#90-03328

concerning Claimant's financial situation and churned the accounts; that Respondents defrauded Claimant; and violated the RICO Act.

Respondents asserted Claimant spoke with Carter several times a week and was fully apprised as to the account's positions and never gave Carter "carte Blanche" regarding the account; Carter never misrepresented the performance or status of the account; no churning occurred in the account; and that the RICO Act was not violated.

RELIEF REQUESTED

Claimant requested: actual and punitive damages in excess of \$500,000.00; costs; and attorneys's fees.

Respondents requested: the claim be dismissed in all respects.

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 are liable, jointly and severally, and shall pay to Claimant the sum of TWENTY FOUR THOUSAND SIX HUNDRED EIGHTY ONE 38/100 DOLLARS (\$24,681.38);
- 2- Respondent Ridder is liable and shall pay to Claimant the sum of FIFTY FIVE THOUSAND SIX HUNDRED NINE EIGHT 04/100 (\$55,698.04) DOLLARS;
- 3- Claimant's claim for punitive damages is denied;
- 4- All other claims are dismissed;
- 5- The parties shall each bear their own costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$200.00 non-refundable filing fee previously deposited by Claimant and the following Forum Fees are assessed.

AWARD

#90-03328

8 sessions X \$750.00 = \$6,000.00 minus hearing session deposit of \$750.00
\$5,250.00 due.

Forum fees Assessed Against:

1- Respondents, jointly and severally, in the amount of \$6,000.00. However, they shall reimburse Claimant the sum of \$750.00 to represent the hearing session deposit, therefore, the amount due and owing equals \$5,250.00.

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

Concurring Arbitrators' Signatures



Thomas C. Girardot/Industry Arbitrator

Date: February 26, 1992

AWARD

#90-03328

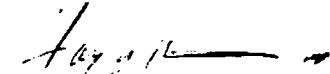
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Concurring Arbitrators' Signatures



Harry G. Hutchison, IV/Public Arbitrator

Date: February 26, 1992

AWARD

#90-03328


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Concurring Arbitrators' Signatures


David H. Jarvis/Public Arbitrator

Date: February 26, 1992