

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between :

Gary & Linda K. Stefani :

Claimants :

vs. :

USAA Investment Management Co. :

Respondent :  
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CASE #91-00748  
AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 8, 1991, Claimants Gary & Linda K. Stefani, who appeared Pro Se, alleged that Respondent USAA Investment Management Co. recommended, through pamphlets sent to the Claimants, the purchase of USAA Tax Exempt Mutual Fund which dropped 10% in value within the first 8 days of the investment, and that due to Claimant's inability to get through to the company by telephone in order to liquidate the account, the Claimants sustained a loss.

Respondent, USAA Investment Management Co. through their in-house counsel, Frank E. Marley, Jr., Esq., maintained that they deny all allegations made by the Claimants and that it was the Claimant's responsibility to communicate their desire to sell the fund. The Respondent further maintained that they are not a guarantor of the Mutual Funds, but rather a distributor and manager of them, and that they cannot be responsible for the Claimants inability to communicate their desire to sell the fund.

RELIEF REQUESTED

Claimants, Gary & Linda K. Stefani requested \$6,404.52 in actual damages.

Respondent, USAA Investment Management Co. requested the claims of the Claimants be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Patrick J. Halter, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on February 22, 1991 and by the Respondent on April 18, 1991.

And, 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. The Respondent USAA Investment Management Co. is liable and shall pay \$3,202.26 to the Claimants Gary & Linda K. Stefani, in actual damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc.

AFFIRMATION

I, PATRICK J. HALTER, 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

DATE OF DECISION: 31 Jan 92

DATED BY THE NASD, INC.: February 25, 1992