

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Sam A. & Melissa E. Pizzo

91-00749

Name of Respondent(s)

Alvin L. Harvey

Wedbush Morgan Securities Inc.

REPRESENTATION

Claimants represented themselves.

Respondents were represented by Marie E. Eaton of Wedbush Morgan Securities, Inc..

CASE INFORMATION

Statement of Claim filed: March 11, 1991

Claimant's Submission Agreement signed on: March 11, 1991

Statement of Answer filed by Respondents Wedbush Morgan Securities and Alvin Harvey on: May 1, 1991

Respondent Wedbush Morgan Securities's Submission Agreement signed on: May 1, 1991

HEARING INFORMATION

Hearing Date(s)/Sessions: September 25, 1991 / 2 sessions

Hearing Location: Las Vegas, Nevada

CASE SUMMARY

Claimants alleged that they purchased Goldriver Finance Corp. bonds in the amount of \$46,978.13 from Respondents and that on 9/20/90 Goldriver Finance announced that the bonds were in default. Claimants alleged that they later found out that a Consent Solicitation form had been sent to all bond holders stating that the funds were in default. Claimants alleged that it was the obligation and responsibility of Respondents to have informed Claimants of the deficiencies and the consent form required in the purchase of these bonds.

Respondents alleged that Claimants approached Mr. Harvey and told him that they wished to purchase Goldriver bonds and that Mr. Harvey presumed that they desired to purchase the bonds because a friend had purchased them. Respondents alleged that Mr. Harvey believed that the bond was an attractive investment and that there was nothing in the information which was publicly available which alerted Mr. Harvey to a problem and the consent form was not a piece of information that the company sent to Mr. Harvey. Respondents alleged that Mr. Harvey acted in good faith, performed reasonable diligence, and passed on every piece of information he obtained to his clients.

RELIEF REQUESTED

Claimants requested a full refund of \$46,978.13 plus accrued interest and expenses.

Respondents requested that this claim be dismissed in its entirety.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions (if any), the undersigned arbitrator(s) has/have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Wedbush Securities is liable for and shall pay to Claimants the sum of Fifteen Thousand Dollars Exactly (\$15,000).
2. Each and every claim against Respondent Harvey is dismissed.
3. Each party shall bear its own attorneys fees and costs.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

FORUM FEES

The NASD shall retain the \$120 filing fee and the \$400 hearing session deposit paid by the Claimants. The NASD shall refund to Claimants an overpayment of fees in the amount of \$300.

ARBITRATION PANEL

Public/Industry  
Public  
Public  
Industry

Signatures

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Lawrence J. Johnson  
Lawrence J. Johnson

Date of Decision: \_\_\_\_\_