

Arbitration

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
One East Broward Boulevard
Suite 1000
Ft. Lauderdale, Florida 33301
(305) 522-7391

In the Matter of the Arbitration Between)

Name of Claimant(s))

Charles and Suzanne Campion)

Name of Respondent(s))

A.G. Edwards & Sons, Inc.)

Dennis Madler)

Guy B. Riska)

Case No. 91-01750

REPRESENTATION

For Claimants, Charles and Suzanne Campion ("Campion"): Clifford R. Saffron, Esq. of Proskauer Rose Goetz & Mendelsohn.

For Respondents, A. G. Edwards & Sons, Inc. ("Edwards") and Dennis Madler ("Madler"): Rose M. Schindler, Esq. of Edwards.

For Respondent, Guy B. Riska ("Riska"): pro se.

CASE INFORMATION

Statement of Claim filed: June 7, 1991. Claimants' Submission Agreement signed: June 3, 1991.

Respondents, Edwards and Madler's, Statement of Answer filed: February 18, 1992. Respondents' Submission Agreements signed: April 15, 1992 by Stephen G. Sneeringer on behalf of Edwards, and on April 13, 1992 by Madler.

Respondent, Riska, did not file a Statement of Answer or sign a Submission Agreement as required by Sections 12 and 25 of the Code. (See Other Issues, below.)

HEARINGS INFORMATION

On June 30 and July 1, 1992, in Fort Lauderdale, Florida, hearings lasting four (4) sessions were conducted.

CASE SUMMARY

Claimants alleged that they advised Respondents of their investment objectives of liquidity and preservation of capital; that Riska made

misrepresentations of and omitted to state material facts; Riska recommended and effected trades in unsuitable, speculative, high risk securities, including options and real estate limited partnerships; Riska effected unauthorized trades in options; that as a result of Riska's conduct and Edwards' and Madler's failure to supervise, Claimants suffered losses; and, that Respondents' actions violated Section 517.301, Florida Statutes.

Respondents, Edwards and Madler, denied all allegations of wrongdoing and alleged that Claimants were experienced investors with an initial objective of income; that Claimants updated their objectives to growth and income; Claimants were fully informed of the risks, represented they were suitable for, and authorized the purchase of both limited partnerships; and, that only one option was bought and gave a return in excess of 500%.

Respondents alleged the affirmative defenses of failure to state a claim; bar by statute of limitation; good faith; bar by ratification, account stated, estoppel, waiver and laches; failure to mitigate; failure to exercise due diligence; contributory negligence; assumption of risk; and, damages caused by unforeseen market forces.

RELIEF REQUESTED

Claimants requested damages of \$11,401.20 plus interest, rescission in the amount of \$25,000.00 plus interest, punitive damages of \$400,000.00, attorney's fees, costs and other relief.

Respondents, Edwards and Madler, requested dismissal, costs and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

1. Claimants, Edwards and Madler 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, those parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

2. The Panel finds that service was not perfected on Respondent, Riska, and, therefore, no findings regarding liability of Riska were made.

AWARD

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

1. Respondents, Edwards and Madler, are found liable, jointly and severally, and shall pay to the Claimants the amount of \$4,000.00.

2. Claimants' requests for attorney's fees, interest, rescission and punitive damages are denied.

3. Respondents' requests for costs and attorney's fees are denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

1. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$3,000.00 (four sessions x \$750.00). Respondent, Edwards, is hereby assessed \$3,000.00, \$750.00 of which shall be paid directly to the Claimants and \$2,250.00 of which shall be paid to the National Association of Securities Dealers, Inc.

2. Respondent, Edwards, shall also reimburse the Claimants \$200.00 for the filing fee previously paid by the Claimants.

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

Concurring Arbitrators' Signatures

/s/
Philip F. Ludovici, Esq. Public

/s/
Abe Mintz Public

/s/
Richard D. Longacre Industry

Date of Decision: July 8, 1992