

PUBLIC

## NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between

Billy J. Ritter

Claimant

CASE #91-02230  
AWARD

vs.

Michael C. Jordan  
Richard W. BaumanRespondents  
-----CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 22, 1991, Claimant Billy J. Ritter, who appeared Pro Se, alleged that Respondents Michael C. Jordan and Richard W. Bauman of the firm of A.G. Edwards & Sons, Inc. purchased, without authorization, a \$470,000 8 1/2 FNMA O Coupon Bond. Claimant contended that, although he contacted the Respondents to reverse this trade, a debit balance occurred in his account, causing him to lose interest that he should have received from a T-Bond held by Respondents on his behalf and that this interest was used to decrease the debit balance instead of being paid to him. The Claimant further alleged that the T-Bond was withheld until all of the debit balance was paid off. The Claimant maintained that he never wanted to purchase O Coupon Bonds since they provided no cash flow and were inappropriate for an individual in his situation and that he made this clear to Respondent Michael C. Jordan.

Respondents Michael C. Jordan and Richard W. Bauman through their counsel, Michael D. Gates, Esq., of A.G. Edwards & Sons, Inc. maintained that the Claimant never explained that he needed income from his investment, and that this investment was suitable for the Claimant.

Respondent Richard W. Bauman moved that Claimant's Statement of Claim be dismissed for failure to state a claim upon which relief can be granted.

The Respondents denied that Respondent Michael C. Jordan misrepresented or failed to disclose material facts in connection with Claimant's purchase of the O Coupon Bond, and further denied that they did nothing wrong in handling the Claimant's account.

Respondents filed a counterclaim seeking expenses and fees pursuant to the February 15, 1990 joint account agreement.

#### RELIEF REQUESTED

Claimant Billy J. Ritter requested \$7,673.25 in actual damages, \$10,000.00 in interest and \$2,500.00 in punitive damages. The Claimant agreed to limit damages to \$10,000.00 to retain the status of a simplified proceeding.

Respondents Michael C. Jordan and Richard W. Bauman filed a counterclaim in which they requested the claims of the Claimant be dismissed and that they be awarded costs and attorney's fees.

#### AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Mary Beth Wheeler, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 15, 1991, by the Respondent Michael C. Jordan on August 22, 1991 and by Respondent Richard W. Bauman on August 12, 1991.

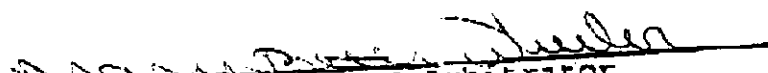
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Billy J. Ritter against Respondents Michael C. Jordan and Richard W. Bauman are denied in their entirety.
2. The counterclaim of Respondents Michael C. Jordan and Richard W. Bauman for costs and attorney's fees is denied in its entirety.
3. The parties shall bear their respective costs and attorney's fees.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

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AFFIRMATION

I, MARY BETH WHEELER, 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.

  
Signature of Arbitrator

DATE OF DECISION: October 29, 1992

DATED BY THE NASD, INC.: November 2, 1992

further contended that Claimants could not have been enticed to invest in mutual funds by an advertisement allegedly published in January 1985. Respondents argued that Claimants allegations are not well founded and that Claimants were paid dividends creating an overall profit thus, Claimants have incurred no loss as a result of their investment in Lord Abbott Bond Debenture Fund.

RELIEF REQUESTED

Claimants, Fred J. and Christina Goehner requested \$4,403.00 in actual damages.

Respondent, A.G. Edwards & Sons, Inc. requested the claim be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Casandra Mihalchick, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on August 7, 1991 and by the Respondent on October 14, 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. Respondent, A.G. Edwards & Sons, Inc. is liable and shall pay to the Claimants, Fred J. and Christina Goehner the sum of \$4,403.00 in 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. The Respondent, A.G. Edwards & Sons, Inc. shall pay \$150.00 to the Claimants as reimbursement.

AFFIRMATION

I, CASANDRA MIHALCHICK, ESQ., 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.

Cassandra Mihalchick Esq.  
Signature of Arbitrator

DATE OF DECISION: March 19, 1992