

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Robinette Joos

vs.

NASD #91-02686

Name of Respondents

Lutheran Brotherhood Securities Corporation,
Arthur S. Price

REPRESENTATION

For Claimant: J. Rogers, Esq. of Riddell, Williams, Bullitt & Walkinshaw, Seattle, Washington.

For Respondents: F. Huebner, Esq. of Helsell, Fetterman, Martin, Todd and Hokanson, Seattle, Washington.

CASE INFORMATION

Statement of Claim filed: August 29, 1991

Claimant's Submission Agreement signed: August 19, 1991

Statement of Answer filed by Respondents on: November 19, 1991

Respondents' Submission Agreements signed on:

A. Price: November 14, 1991

Lutheran Brotherhood: November 7, 1991

HEARING INFORMATION

Prehearing Conference(s) Date(s) Sessions: None

Hearing Date/ Sessions: February 9, 1993 (two sessions)
February 10, 1993 (one session)

Hearing Location: Seattle, Washington

CASE SUMMARY

Claimant alleged: Violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10(b)-5 thereunder, Washington State Securities Act, Washington Consumer Protection Act, common-law fraud or negligent misrepresentation, negligence and professional malpractice and respondeat superior in the purchase of Lutheran Brotherhood High Yield Fund.

Respondents alleged: Claimant became a client of Lutheran Brotherhood Securities Corporation (LBSC) in 1984 and discussed with Price the relative risks of various types of investments. Her objectives were maximizing income while minimizing income tax liability, and she made purchases in the LBSC money market fund, the Single Premium Deferred Annuity and the Income Fund. She invested in the High Yield Fund after stating to Price she wanted the highest income possible. The High Yield Fund is a conservatively managed mutual fund in lower rated corporate debt.

Claimant did not rely on Price for investment advice and he did not have discretionary authority to make investments. She received a prospectus on the Fund, with full disclosure; she refused Price's recommendation on a limited partnership and universal life policy, as well as on the High Yield Fund. There was no commission on switching funds or awards for high yield fund sales. Various affirmative defenses were also alleged.

RELIEF REQUESTED

Claimant requested:

1. Damages in the amount of \$20,136.40 plus 10% compounded from July 1, 1987;
2. Treble damages as allowed by the Washington Consumer Protection Act Statute.
3. Statutory interest, attorneys' fees and costs of this action; and
4. Further relief as is just equitable.

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.

The panel determined that the statute of limitations was not a bar to claimant's action.

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 jointly and severally liable for and shall pay Claimant \$8,900;
2. All other claims, including the claim for treble damages, are dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc. shall retain the \$500 hearing session deposit previously deposited by the claimant. Forum fees assessed against:

None other than hearing deposit retained, as described above,

calculated as follows: Three hearing sessions times \$500/session, equals \$1,500 in potential forum fees; \$500 assessed against claimant and already paid as hearing deposit.

Fees are payable to the National Association of Securities Dealers.

ARBITRATION PANEL

Name

Public/Industry

Public Arbitrator

Public Arbitrator

Industry Arbitrator


Frank P. Blakeslee

Date of Decision: _____