

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between)

Name of Claimant(s))

Marianna R. Hodge)

Case No. 91-03133)

Name of Respondent(s))

The Robinson-Humphrey Co., Inc.)

REPRESENTATION

For Claimant, Marianna Hodge ("Hodge"): James C. Cothran, Jr., Esq. of Holcombe, Bomar, Cothran & Gunn, P.A.

For Respondent, Robinson Humphrey & Co., Inc. ("Robinson Humphrey"): George Covington, Esq. of Kennedy, Covington, Lobdell & Hickman.

CASE INFORMATION

Statement of Claim filed: October 7, 1991. Claimant's Submission Agreement signed: September 26, 1991.

Respondent's Statement of Answer filed: February 1, 1992. Respondent's Submission Agreement signed: March 5, 1992 by William Hobauser, Esq. on behalf of Robinson-Humphrey.

HEARING INFORMATION

On July 21, 1992, in Charlotte, North Carolina, a hearing lasting two (2) sessions was conducted.

CASE SUMMARY

Claimant alleged that Respondent was liable for: failing to follow Claimant's stated investment objectives; recommending unsuitable high-yield mutual funds that were contrary to the Claimant's stated investment objectives and financial position; failing to advise Claimant of the risks involved in the investment and, placing Claimant's funds in speculative securities which had a high risk of loss without informing Claimant of the risks.

Respondent denied all allegations of wrongdoing and alleged that: Claimant made withdrawals from the account which exceeded the income produced by her investments; market conditions involving high-yield bonds caused the

investments to decline in value; the investments were suitable and in accord with Claimant's investment objectives of income and Claimant was advised of the risks involved.

Respondent asserted the affirmative defenses of statute of limitations, ratification and estoppel.

RELIEF REQUESTED

Claimant requested damages in the amount of \$56,500.00, plus interest, punitive damages and attorney's fees.

Respondent requested dismissal of the claim.

OTHER ISSUES CONSIDERED & DECIDED

1. 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.

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. Respondent, Robinson-Humphrey, is found not liable and, therefore, all claims against it are hereby dismissed.
2. Claimant's request for attorney's fees and punitive damages is denied.

OTHER COSTS

1. 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 \$1,000.00 (two sessions x \$500.00 per session).
2. Claimant is hereby assessed \$500.00 for which the NASD shall retain the \$500.00 previously deposited in full satisfaction thereof.
3. Respondent, Robinson-Humphrey is hereby assessed \$500.00 payable to the National Association of Securities Dealers, Inc.
4. The NASD shall retain the non-refundable filing fee of \$150.00 paid by the Claimant.

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

Concurring Arbitrators' Signatures

/s/
C. Marcus Harris, Esq.

Public

/s/
John F. Snyder, Esq.

Public

/s/
Ben T. Vernon

Industry

Date of Decision: August 21, 1992