

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	:	
Ida M. Michelotti	:	
	:	
Claimant	:	CASE #91-03302
	:	AWARD
vs.	:	
Robert Thomas Securities, Inc.	:	
Joseph Johnson	:	
	:	
Respondents	:	

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 22, 1991, Claimant Ida M. Michelotti through her counsel Donald A. Hitzel, Jr., Esq., of Pretzel & Stoufer, Chicago, IL, alleged that Respondents Robert Thomas Securities, Inc. and Joseph Johnson misled her into purchasing a municipal bond fund, American Capital Insured Municipal Portfolio Fund, and that she was never provided with any information regarding fees to be charged by Respondents in connection with this investment. The Claimant further alleged that no prospectus was provided, and that this investment was not suitable for her.

Respondents, Robert Thomas Securities, Inc. and Joseph Johnson in a Joint Statement of Answer, through their in-house counsel Paul L. Matecki, Esq., maintained that the Claimant was fully advised of the commissions, particularly since the sales charge was discounted due to the size of the trade along with the fact that the commissions would further be reduced if she invested more money. The Respondents further maintained that the Claimant did receive a Prospectus and other information, and that she even commented about having to read the voluminous information provided her.

In an amendment to their answer, the Respondents contended that the Claimant has failed to provide evidence to support her case, and that her losses were caused by the influence of other people convincing her to not allow the fund to perform over the long-term as originally anticipated.

RELIEF REQUESTED

Claimant, Ida M. Michelotti requested \$8,676.00 in actual damages, plus interest.

Respondents Robert Thomas Securities, Inc. and Joseph Johnson requested the claims of the Claimant be dismissed.

OTHER ISSUES

1. Respondents Robert Thomas Securities, Inc. and Joseph Johnson's request for Production of Documents and Subpoena is denied.
2. Respondents Robert Thomas Securities, Inc. and Joseph Johnson's request for a hearing is denied.
3. Respondents Robert Thomas Securities, Inc. and Joseph Johnson's Motion for a Subpoena and a Motion to Disqualify counsel are denied.

AWARD

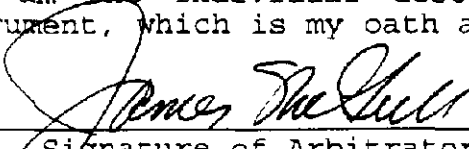
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, James A. McGurk, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 30, 1991 and by the Respondent Robert Thomas Securities, Inc. on December 10, 1991 and by Respondent Joseph Johnson on November 19, 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. Respondents Robert Thomas Securities, Inc. and Joseph Johnson are jointly and severally liable and shall pay to the Claimant Ida M. Michelotti \$8,676.00 in actual damages, plus simple interest at the rate of 9% from June 11, 1991 to the date of payment of the Award.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. shall be retained by the NASD, Inc.

4. Respondents Robert Thomas Securities, Inc. and Joseph Johnson are jointly and severally liable and shall pay to Claimant Ida M. Michelotti \$150.00 as reimbursement.
5. \$500.00 of the \$850.00 filing fee previously deposited by the Respondents shall be retained by the NASD.
6. The NASD shall reimburse the Respondent for the \$350.00 refundable portion.

I, **JAMES A. MCGURK**, 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: November 13, 1992