

N.A.S.D. NASD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Elsie Stolic

91-03321

Name of Respondent(s)

Corporate Securities Group, Inc.  
Kenneth L. Blank

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REPRESENTATION

For Claimant: Bruce Schragger, Esq. of Lawrenceville, New Jersey.

For Respondents: Charles Scarlett, Esq. of Corporate Securities Group, Inc.  
in Boca Raton, Florida.

CASE INFORMATION

Statement of Claim filed: October 23, 1991.

Claimant's Submission Agreement signed on: October 9, 1991.

Joint Statement of Answer filed by Respondents on: December 27, 1991.

Submission Agreement of Respondent Corporate Securities Group, Inc. signed  
on: December 6, 1991.

Submission Agreement of Respondent Kenneth Blank signed on: January 2, 1992.

HEARING INFORMATION

Hearing Date/Sessions: May 14, 1992/two sessions

Hearing Location: Philadelphia, Pennsylvania

CASE SUMMARY

Claimant Elsie Stolic alleged that, after informing Respondents that her investment objectives were to generate dividends and invest in low risk securities, Respondents placed her in the Dreyfus Capital Value Fund, a fund that not only did not pay dividends but is a high risk investment. Claimant

further alleged that she never received a prospectus or information from her broker as to this type of fund and that trading was executed without her authorization. Respondents Corporate Securities Group, Inc. and Kenneth L. Blank maintained that the losses incurred by the Claimant were the result of market forces outside of Respondents' control, that Claimant advised Respondents in October of 1990 that she was not in need of interest income, and that Claimant agreed to sell her Treasury Bonds and purchase Dreyfus Capital Value Fund.

#### RELIEF REQUESTED

Claimant requested damages of \$33,755.00. Respondents requested that the claims of the Claimant be dismissed.

#### 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.

#### 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 Corporate Securities Group, Inc. and Kenneth L. Blank are jointly and severally liable and shall pay to the Claimant Elsie Stolic the sum of Ten Thousand Five Hundred Dollars and No Cents (\$10,500.00).

#### OTHER COSTS

- (1) The parties shall each bear their respective costs.

#### FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed:

- (1) The NASD, Inc. shall retain the \$400.00 hearing session deposit previously deposited by the Claimant and an additional \$400.00 in forum fees are assessed jointly against Respondents Corporate Securities Group, Inc. and Kenneth L. Blank. These forum fees are assessed based upon the two hearing sessions held in this matter.

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

Concurring Arbitrators' Signatures

Joseph R. Lally  
Joseph R. Lally, Esq. (chairperson)

Public Arbitrator

Robert F. Sanville

Public Arbitrator

Edward T. Borer

Industry Arbitrator

Executed on;

Dated: 7/11/92

Date of Decision: July 23, 1992

Concurring Arbitrators' Signatures

Joseph R. Lally, Esq. (chairperson)

Public Arbitrator

*Robert F. Sanville*

Robert F. Sanville

Public Arbitrator

Edward T. Borer

Industry Arbitrator

Dated: July 23, 1992


Concurring Arbitrators' Signatures

Joseph R. Lally, Esq. (chairperson)

Public Arbitrator

Robert F. Sanville

Public Arbitrator

  
Edward T. Boner

Industry Arbitrator

Executed on:

Dated: 7/29/92

Date of Decision: July 23, 1992