

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants  
John and Janice Hess

91-03445

Name of Respondents  
Hayne, Miller & Farni, Inc.  
Michael Wheelock

REPRESENTATION

For Claimants: pro se.

For Respondents: Gregory J. Sternoe, Esq. of Briggs and Morgan, Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed November 4, 1991.

Claimant's Submission Agreement signed on October 25, 1991.

Joint Statement of Answer filed by Respondents on December 30, 1991.

Respondent's Submission Agreement signed on January 9, 1992.

HEARING INFORMATION

Hearing Date/Sessions: April 27, 1992 for two (2) sessions, morning and afternoon.

Hearing Location: Minneapolis, Minnesota.

CASE SUMMARY

Claimants John and Janice Hess ("Hess") alleged that Respondent Hayne, Miller & Farni, Inc. is responsible for losses caused by the manner in which their employee, Respondent Michael J. Wheelock ("Wheelock") manipulated stocks for his own enrichment. Hess alleged that their objective was to build retirement funds. Hess further alleged that they bought and lost money in the following stocks: First Team Sports, United Buying Service, Angeion, and Regent Enterprises based on Wheelock's bad advice.

Respondents denied the allegation that Wheelock "manipulated stocks for his own enrichment." Respondents further alleged that Wheelock made recommendations to the Hess's and they made the ultimate decision to invest. Respondents further alleged that the Hess's are intelligent and sophisticated people who knowingly chose to invest in speculative and growth securities through Wheelock.

**RELIEF REQUESTED**

Claimants requested damages in the amount of \$14,385.58.

Respondents requested that the Statement of Claim be dismissed.

**OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

**AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim is denied;
2. Each of the parties shall bear their own costs and expenses incurred other than those specifically enumerated herein.

**FORUM FEES**

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

2 sessions X \$300 = \$600 minus hearing session deposit of \$300 = net \$300 due.

Forum fees Assessed Against: Respondents Hayne, Miller & Farni, Inc. and Michael J. Wheelock, jointly and severally.

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

**By The Arbitration Panel:**

Dated:

May 20, 1992

s/s

A. James Dickinson, Esq.  
Chairperson  
Public Arbitrator

NASD served: May 21, 1992