

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Betty Bundul

91-03715

Name of Respondents

John G. Kinnard and Company, Inc.  
Edwin Haw

REPRESENTATION

For Claimant at the hearing: Mark J. Briol, Esq. of Briol & Wilmes, Minneapolis, Minnesota.

For Respondent John G. Kinnard and Company, Inc. at the hearing: Ted S. Meikle, Esq. of Fredrickson & Bryon, Minneapolis, Minnesota. For Respondent Edwin Haw: Pro Se.

CASE INFORMATION

Statement of Claim filed: November 25, 1991. Claimant's Submission Agreement signed on: June 6, 1991.

Statement of Answer filed by Respondent Edwin Haw on: October 29, 1992.  
Respondent Edwin Haw's Submission Agreement signed on: None.

Statement of Answer filed by Respondent John G. Kinnard, Inc. on: June 21, 1992.  
Respondent John G. Kinnard's Submission Agreement signed on: January 15, 1992.

HEARING INFORMATION

Hearing date: April 13, 1993 for one (1) session.

Hearing location: Minneapolis, Minnesota.

CASE SUMMARY

Claimant Betty Bundul ("Bundul") alleged that Respondent John G. Kinnard and

Company, Inc. ("Kinnard") through its agent, Respondent Edwin Haw ("Haw") abused Bundul's account by putting her in a margin account without her knowledge and which was wholly unsuitable. Bundul also alleged that Kinnard was responsible for supervising Haw to insure compliance with the securities laws.

Respondent Kinnard denied Bundul's claims. Kinnard alleged that Bundul knew she was buying stocks on margin.

Respondent Haw denied the claim. Haw alleged that it was his recollection that Bundul signed a margin agreement after reading it.

### **RELIEF REQUESTED**

Claimant requested an Award against Respondents, jointly and severally, for compensatory damages in the sum of \$1885.67, plus interest, attorney's fees pursuant to Minn. Stat. Section 80A.23 in an amount of no less than \$628.56, plus costs, disbursements, expenses and other relief the arbitrator deems just and equitable.

Respondent Kinnard requested that Bundul not recover any money and that she pay all costs. Respondent Haw requested that the claim be dismissed.

### **OTHER ISSUES CONSIDERED & DECIDED**

Upon review of the file, the panel has determined that Respondent Edwin Haw has been properly served with the Statement of Claim pursuant to sections 13 and 25 of the Code of Arbitration Procedure ("the code"). The panel also determined that Respondent Edwin Haw had received due notice of the hearing as required under section 26 of the Code, and that the arbitration of the matter would proceed pursuant to Section 29 of the Code.

Respondent Edwin Haw did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to Section 12 of the Code and having answered the claim, is bound by the determination of the arbitration panel on all issues submitted.

The parties present at the hearing have agreed that the Award in this matter may be executed by counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties present at the hearing 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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents John G. Kinnard & Company, Inc. and Edwin Haw shall be and hereby are jointly and severally liable for and shall pay to the claimant damages in the sum of One Thousand Eight Hundred Eight Five Dollars and Sixty Seven Cents (\$1,885.67);
2. The request for interest is denied;
3. Respondents John G. Kinnard & Company, Inc. and Edwin Haw shall be and hereby are jointly and severally liable for and shall pay to the claimant attorney's fees in the sum of Six Hundred Twenty Eight Dollars and Fifty-Six Cents (\$628.56);
4. 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:

1 hearing session X \$25 = \$25

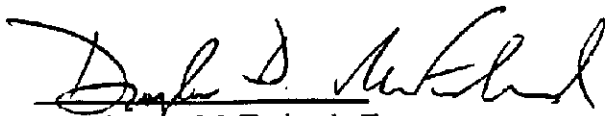
Pursuant to Section 43c of the Code of Arbitration, the NASD shall retain the nonrefundable filing fee in the amount of \$25.00, and shall retain the hearing session deposit in the amount of \$25.00 previously paid to the NASD by the Claimant.

Respondents John G. Kinnard & Company, Inc. shall reimburse to the claimant \$25.00 for the hearing session fee which was previously deposited with the NASD.

By The Arbitrator:

Date:

May 17, 1993

  
Douglas D. McFarland, Esq.  
Presiding, Public Arbitrator

Date NASD AWARD was served: 5-27-93