

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
13 Whitehall Street
New York, N.Y. 10004
FAX (212) 658-4389

In the Matter of the Arbitration Between

Name of Claimants

Edmond and Eileen Johnson, etal.

vs.

Case#
91-03997

Name of Respondent

Vanden Catli

REPRESENTATION

For Claimants, Edmond Johnson, Eileen L. Johnson, Timothy E. Johnson & Tara Lauren Johnson, William A. DeLorenzo, Esq.

For Respondent, Vanden Catli, pro se.

CASE INFORMATION

Statement of Claim was filed on December 17, 1991.
Claimants' Submission Agreement was signed on December 2, 1991.

Statement of Answer was filed by Respondent, Prudential Securities, Inc. ("Prudential"), on February 20, 1992.
Prudential's Submission Agreement was signed on March 2, 1992.

Respondent, Vanden Catli ("Catli") did not file a Statement of Answer or execute a Submission Agreement.

HEARING INFORMATION

Hearing Date/Hearing Session: August 4, 1992 - One session.

Hearing Location: National Association of Securities Dealers, Inc.'s offices located at 33 Whitehall Street, New York, New York.

CASE SUMMARY

Claimants commenced this action against Prudential, Thomson McKinnon Securities, Inc. ("TMS") and Catli. Prior to the commencement of the hearing, TMS was removed as a party because it had filed a bankruptcy petition and Prudential was removed because it settled with the Claimants.

Claimants allege that Edmond and Eileen Johnson opened a joint account, an account for their son Timothy, an account for their daughter Tara and Edmond Johnson opened a retirement account with Catli while he was employed at TMS. Claimants allege that they informed Catli that they wanted conservative, interest bearing investments. Claimants further allege that Catli knew that the money was to pay for the children's education.

Claimants allege that Catli, nonetheless, proceeded to speculatively trade in strip bonds which were unsuitable for the Claimants. Claimants state that when Catli went to work for Prudential, he convinced them to transfer their accounts as well, which they did. Claimants further allege that from June, 1988 through October, 1990, the accounts ceased to be an investment vehicle and become a means to generate commissions for Catli, Prudential and TMS.

Respondent, Vanden Catli, did not attend the hearing to defend the allegations against him.

RELIEF REQUESTED

Claimants request an award of \$20,207.28 plus interest from the date of deposit of the funds into the accounts and reimbursement of the filing fees paid in connection with this matter.

OTHER ISSUES CONSIDERED AND DECIDED

Claimants 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, Claimants have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

As stated above Catli did not appear at the hearing. Based upon the documents introduced at the hearing regarding hearing notices sent to Catli, this panel finds that proper notice was given to Catli.

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. Respondent, Vanden Catli, is hereby liable and shall pay Claimants **TWELVE THOUSAND EIGHT HUNDRED AND EIGHTY FOUR DOLLARS AND THIRTEEN CENTS (\$12,884.13);**
2. This award does not include losses on the Wedgestone Financial investment;

3. Claimants are further awarded and Vanden Catli shall pay interest at a rate of 9% from the dated of the award until payment;
4. Claimants' request for attorney's fees is denied;
5. Claimants' request for costs is denied.

FORUM FEES

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

1. Forum fees in the amount of \$400.00 for one hearing session at \$400.00 per session are assessed against the Claimants;
2. Claimants are further assessed \$120.00 non-refundable filing fee. Claimants paid \$750.00 and shall receive a refund of \$230.00.

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

Concurring Arbitrator's Signature



Barry A. Mahler, Esq.
Public Panelist

Date of Decision: September 14, 1992

STATE OF NEW YORK
COUNTY OF NEW YORK

S.S.:

On this 7th day of September 1992, before me personally appeared **BARRY A. MAHLER, ESQ.** known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

3. Claimants are further awarded and Vanden Catli shall pay interest at a rate of 9% from the dated of the award until payment;
4. Claimants' request for attorney's fees is denied;
5. Claimants' request for costs is denied.

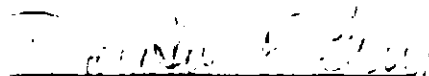
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Concurring Arbitrator's Signature



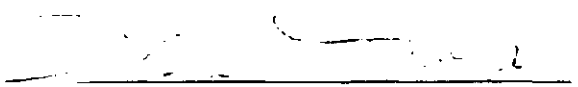
Dorothy F. Gray, Esq.
Chairperson/Public

Date of Decision: September 14, 1992

STATE OF NEW YORK
COUNTY OF NEW YORK

S.S.I.

On this 4th day of September 1992, before me personally appeared DOROTHY F. GRAY, ESQ. known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



WALTER GUILLAMAZO
Notary Public in and for the State of New York
Qualified in New York City
Commission Expires 12/31/1993

3. Claimants are further awarded and Vanden Catli shall pay interest at a rate of 9% from the dated of the award until payment;
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5. Claimants' request for costs is denied.

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

Concurring Arbitrator's Signature

David Levy, Esq.

Date of Decision: September 14, 1992

STATE OF NEW YORK
COUNTY OF NEW YORK

S.S.:

On this 14 day of September 1992, before me personally appeared **DAVID LEVY, ESQ.** known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

JOANNE [unclear]
NOTARY PUBLIC, State of New York
[unclear]
[unclear]
[unclear]