

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Stanley K. & Roberta M. Saunders

91-04002

Name of Respondent(s)

Tucker Anthony Incorporated
Hamilton Investments
Charles Turner

REPRESENTATION

For Claimants Stanley K. & Roberta M. Saunders: Anthony Trogan, Esq. of Weisman, Trogan, Young & Schloss, P.C., Birmingham, MI.

For Respondent Tucker Anthony, Inc.: Khrishna Dighe, Esq., of Dykema, Gossett, Detroit, MI.

For Respondent Hamilton Investments: Rosemarie Guadnolo, Esq., of Horvath, Lieber & Quillici, P.C., Chicago, IL.

Respondent Charles Turner appeared pro se.

CASE INFORMATION

Statement of Claim filed: December 13, 1991.

Claimants' Submission Agreement signed on: December 13, 1991.

Amended Statement of Claim filed on: October 28, 1992.

Statement of Answer and Cross Claim filed by Respondent Tucker Anthony, Inc. ("Tucker Anthony") on: March 13, 1992.

Respondent Tucker Anthony, Inc.'s Submission Agreement signed on: March 13, 1992.

Statement of Answer and Cross Claim filed by Respondent Hamilton Investments ("Hamilton") on: February 28, 1992.

Respondent Hamilton's Submission Agreement signed on: February 27, 1992.

Respondent Charles Turner ("Turner") did not file an Answer or Submission Agreement, as required by Section 1 and 12 of the NASD Code of Arbitration Procedure.

Respondent Tucker Anthony's Amended Answer and Cross Claim filed on: October 28, 1992.

HEARING LOCATION

Hearing Dates/Sessions: March 26, 1993 / Two Sessions.
 March 27, 1993 / Two Sessions.

Hearing Location: Embassy Suites, Southfield, Michigan.

CASE SUMMARY

Claimants alleged that in September, 1988 they were introduced to Respondent Turner, who was employed by Respondent Hamilton Investments and Tucker Anthony, Inc., and who indicated to Claimants he was a skilled broker and based upon this representation, Claimants changed their account from Roney to Respondent Turner then at Respondent Tucker Anthony, Inc. Claimants further alleged that thereafter Claimants found themselves baraged by entreaties from Respondent Turner "to buy this or that", whereby, Claimants acceded to all of Respondent Turner's requests based upon his promise of safety and high returns. Claimants contended that Respondent Turner, while employed at Respondent Tucker Anthony and at Respondent Hamilton engaged in unsuitable trading in the account, failed to follow express directions from Claimants, misrepresented risk factors, misrepresented equity amounts, and traded Claimants' account on margin without adequate disclosure and without their knowledge. Claimants further alleged that Respondent Turner misrepresented numerous facts concerning the investments, misrepresented his skill, churned the account and induced conduct by Claimants by agreeing to share in the losses in the account.

Respondent Tucker Anthony, Inc. maintained that Claimants' account at Respondent Tucker Anthony was not discretionary and Claimants made all the decisions as to the investments in the account. Respondent Tucker Anthony further maintained that Claimants received detailed monthly statements and individual trade confirmations reflecting each transaction. Respondent Tucker Anthony further maintained that Claimants authorized each trade in their account and had many opportunities to object to any trade, which they never did. Respondent Tucker Anthony asserted a cross claim against Respondent Charles Turner, that in the unlikely event it is determined that

Respondent Tucker Anthony is liable to Claimants in any amount, then Respondent Turner is liable to Respondent Tucker Anthony for such amount.

Respondent Hamilton Investments maintained that the claim is unintelligible, lacking any facts whatsoever to support Claimants' litany of conclusions. Respondent Hamilton further denied all of Claimants' claims, and asserted a crossclaim against Respondent Turner for indemnification, if Respondent Hamilton is found liable for any amount.

RELIEF REQUESTED

Claimants requested \$45,000.00 in compensatory damages, interest, costs, attorneys' fees, exemplary and punitive damages, RICO damages.

Respondents requested all claims be dismissed in their entirety and Respondent Hamilton Investments and Tucker Anthony be indemnified by Respondent Turner.

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 Hamilton Investments and Charles Turner be and hereby are liable, jointly and severally, and shall pay Claimants the sum of \$19,910.00 plus \$3,057.00 in interest for a total of \$22,967.00.
2. Respondents Tucker Anthony, Inc. and Charles Turner be and hereby are liable, jointly and severally, and shall pay Claimants the sum of \$14,839.00 plus \$2,214.00 in interest for a total of \$17,053.00.
3. Respondent Hamilton Investments and Charles Turner be and hereby are liable, jointly and severally, and shall pay Claimants the sum of \$6,651.00 for attorneys' fees based on Michigan State law.
4. Respondent Tucker Anthony, Inc. and Charles Turner be and hereby are liable, jointly and severally, and shall pay Claimants the sum of \$4,816.00 for attorneys' fees based on Michigan State law.
5. Each party shall bear their own costs.

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FORUM FEES

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

4 sessions x \$500.00 = \$2,000.00 less \$500.00 hearing session deposit = \$1,500.00
net due.

Forum Fees Assessed Against:

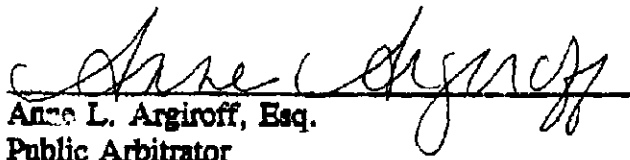
Respondent Hamilton Investments and Charles Turner be and hereby are liable, jointly and severally, and shall pay the NASD the sum of \$660.00 to represent forum fees.

Respondent Tucker Anthony, Inc. and Charles Turner be and hereby are liable, jointly and severally and shall pay the NASD the sum of \$840.00 to represent forum fees.

The NASD shall retain the \$150.00 filing fee and \$500.00 hearing session deposit filed by Claimant and \$500.00 filing fee filed by Respondent Tucker Anthony, Inc.

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

ARBITRATORS' SIGNATURE


Anne L. Argiroff, Esq.
Public Arbitrator

Date of Decision: September 9, 1993

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Anne L. Argiroff, Esq.
Public Arbitrator



Robert A. Leake
Industry Arbitrator

Marc E. Thomas, Esq.
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