

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :  
Mary Jane Hogue :  
Claimant :  
vs. :  
Cowen & Company :  
Respondent :

CASE #92-00238  
AWARD

### CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 22, 1992, Claimant Mary Jane Hogue, who appeared Pro Se, alleged that her Account Executive R. Julian Robinson, former Vice President of Respondent Cowen & Company, defrauded her of a considerable sum of money and left the country in April 1991. Claimant further alleged that Respondent by and through Mr. Robinson, convinced her to open an account with Respondent with him as the broker, at which time, Mr. Robinson told Claimant that he would not charge commission and guaranteed 10% to 12% profit plus assured her that the money was safer than a bank. Claimant contended that she deposited \$40,000.00 which was invested in T-strips with Respondent, at which time, Claimant made it clear that this was her only security which could not be risked whereby Mr. Robinson reassured Claimant in addition to urging her to put \$5,000.00 in Homeplex, stating it was a risk-free investment which would see a 20% profit within a short period. Claimant further contended that in January 1991 Respondent by and through, Mr. Robinson advised her that Homeplex had made the estimated profit, and he had another equally safe and profitable stock, in which he proposed to put the money from Homeplex to purchase the new stock, instead he sold \$9,750.00 of T-strips to pay for both stocks. Claimant asserted that Respondent, by and through Mr. Robinson, sold \$10,000.00 of T-strips without her authorization and a discrepancy of \$4,000.00 remained in her account, in addition to commissions being charged, therefore, Respondent is liable for her losses.

Respondent Cowen & Company, by and through their in-house counsel, Beth Dorfman, Esq., maintained that Claimant Mary Jane Hogue could not have been misled as to her payment of commissions since the confirmations they sent clearly indicated the amount of

commissions charged on each transaction. Respondent further maintained even if Claimant's assertion as to her arrangement with Mr. Robinson were true, Claimant's failure to object must be deemed ratification of the transaction as reported to her whereby Claimant herself liquidated portions of the \$40,000.00 in bonds in order to have funds wired to her, in addition to writing checks against the funds. Respondent contended that during the time Claimant maintained her account with them, the transactions in the account netted a profit.

RELIEF REQUESTED

Claimant Mary Jane Hogue requested \$9,887.93 in actual damages inclusive of Punitive damages.

Respondent Cowen & Company requested the claim be dismissed in its entirety and the Claimant be assessed the costs of this proceeding.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Richard W. Dissen, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 13, 1992 and by the Respondent on April 24, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Cowen & Company is liable and shall pay to the Claimant Mary Jane Hogue the sum of \$4,887.93 in damages.
2. The Claimant's request for Punitive damages is denied.
3. The parties shall bear their respective costs including attorney's fees.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Mary Jane Hogue shall be retained by the NASD, Inc. Respondent Cowen & Company is liable and shall pay to the Claimant the sum of \$150.00 as reimbursement.

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AFFIRMATION

I, RICHARD W. DISSEN, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

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Signature of Arbitrator

DATE OF DECISION: