

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Walter and Moira Veith

92-01306

Name of Respondent

Hibbard Brown & Co., Inc.

REPRESENTATION

For Claimants, Walter and Moira Veith ("Veith"): pro se.

For Respondent, Hibbard Brown & Co., Inc. ("Hibbard"): Steven B. Caruso, Esq. of Hibbard Brown & Co., Inc.

CASE INFORMATION

Statement of Claim filed on April 14, 1992. Claimants Submission Agreement signed on April 10, 1992.

Respondent, Hibbard's, Statement of Answer filed on June 11, 1992. Respondent's Submission Agreement signed on June 10, 1992 by Steven B. Caruso on behalf of Hibbard.

HEARING INFORMATION

On March 17, 1993, in Fort Lauderdale, Florida, a prehearing conference lasting 1 session was conducted via telephone conference call with an arbitrator.

On March 23, 1993, in Fort Lauderdale, Florida, a hearing lasting two (2) sessions were conducted.

CASE SUMMARY

Claimants alleged that between June 22, 1988 and January 1, 1989 Respondent, through its local Branch Manager, through unsolicited telephone calls, misrepresented the value and growth potential of five Penny "House" stocks and that through high-pressure sales tactics induced Claimants to purchase stocks without providing written information or disclosing risks of stocks or the true amount of commission. Claimants further alleged that Respondent refused to sell some of the securities for cash, purchased and sold securities without their authority, delayed sale of securities and refused to liquidate Claimants account for initial investment value causing Claimants losses.

Respondent denied all allegations of wrongdoing and alleged that Claimants were provided with a balanced presentation as to the investment merits and risks of each security presented to them and that all purchases and sale transactions were effectuated with the prior knowledge, consent and permission of Claimants.

RELIEF REQUESTED

Claimants requested an award of \$8,200 plus punitive damages and treble damages.

Respondent requested that the Statement of Claim be dismissed in its entirety and that Respondent be awarded attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

None

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:

Respondent, Hibbard, is found liable and shall pay to the Claimants the amount of \$2,000.00.

Claimants' requests for punitive damages and treble damages are denied.

Respondent's request for attorney's fees is denied.

Award No. 92-01306

Page 3

OTHER COSTS

The parties shall each bear all costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the Arbitrator has assessed forum fees in the amount of \$600.00 (1 prehearing conference x \$200 plus 2 sessions x \$200).

1. Claimants are hereby assessed \$300.00 for which the NASD shall retain the \$200.00 previously deposited in partial satisfaction thereof leaving a balance due to the NASD of \$100.00.
2. Respondent is hereby assessed \$300.00 payable to the National Association of Securities Dealers, Inc.
3. The NASD shall retain the non-refundable filing fee of \$75.00 paid by the Claimants.

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

ARBITRATOR

Arbitrator's Signature



Ronald Thomas Spann, Esq.
(Sole Public Arbitrator)

Date of Decision: 5/10/93