

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

William A. Horn :

Claimant :

vs. :

First Potomac Investment Services, Inc. :

Respondent :

CASE #92-01865
AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 3, 1992, Claimant Wallace A. Horn, who appeared Pro Se, alleged that Respondent First Potomac Investment Services, Inc. allowed him to buy \$20,000.00 worth of Chevy Chase 15% Nov. 15, 2003 bonds, that he was led to believe were marginable, but, in fact, were not, which he discovered when he transferred his account to another firm. The Claimant further alleged that he was forced to sell the bonds at a loss, due to their nonmarginability, and incurred a loss for which the Respondent should be held liable, since he would not have made this purchase had they not misrepresented the facts.

Respondent First Potomac Investment Services, Inc., through its President, Carole L. Haynes, maintained that every aspect of the handling of the account of the Claimant was proper and suitable and that the bond was marginable when purchased by Claimant William A. Horn, but the bond was later removed from the firm's margin list, because it failed to meet "house" minimum margin criteria by falling to a price below 40% of its face value in December of 1991.

RELIEF REQUESTED

Claimant William A. Horn requested \$2,488.00 in actual damages.

Respondent First Potomac Investment Services, Inc. requested the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Edgar T. Bellinger, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on May 20, 1992 and by the Respondent on June 19, 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. The claim of the Claimant William A. Horn against Respondent First Potomac Investment Services, Inc. is dismissed in its entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, EDGAR T. BELLINGER, 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.



Signature of Arbitrator

DATE OF DECISION: October 23, 1992