

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Dennis A. Rash

vs.

92-02327

Name of Respondent(s)

Chatfield Dean & Co. Investment Bankers

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 14, 1992, Claimant Dennis A. Rash, who appeared Pro Se, alleged that on April 14, 1992 Respondent Chatfield Dean & Co. Investment Bankers by and through Michael Poggi, Account Executive, heavily solicited him to purchase 250 common shares of Royce Laboratories with his IRA funds by misrepresenting its future value and failing to disclose the potential risks. Claimant further alleged that Respondent, by and through Mr. Poggi, assured him that Royce Laboratories had received tentative approval for the generic drug proxicam whereby the common stock was guaranteed to go from nine dollars a share to between 12 to 15 dollars per share in the next few days. Claimant contended that Respondent's, by and through Mr. Poggi, misrepresentations, undue influence and inappropriate handling of his account, caused him to sustain losses when the stock price plummeted.

Respondent Chatfield Dean & Co. Investment Bankers, by and through their counsel Stephen E. Kapnick, Esq. of Lohf Shaiman & Ross, Denver, Colorado, maintained that they deny that any price guarantee was made, that any undue influence was imposed upon the Claimant Dennis A. Rash in connection with the purchase of any securities, and Respondent denies they are responsible for the communication of any false or misleading information. Respondent further maintained that the information transmitted to Claimant about Royce Labs was fully supported by Royce Labs' press releases and communications to Respondent. Respondent contended that the alleged fraud of Royce Labs could not be discovered in the exercise of due diligence and the information provided to Claimant would have been true whereby there was no indication that full F.D.A. approval for Piroxicam would not be forthcoming immediately. Respondent further contended that to any extent the information

communicated by Royce Labs was untrue, Respondent had no knowledge of it and they were as much of a victim of the untruth as anyone else, therefore, they are not liable for any losses Claimant may have incurred.

RELIEF REQUESTED

Claimant Dennis A. Rash requested \$2,131.25 in actual damages.

Respondent Chatfield Dean & Co. Investment Bankers requested the claim be denied and they be awarded all costs incurred in connection with the defense of this matter.

AWARD

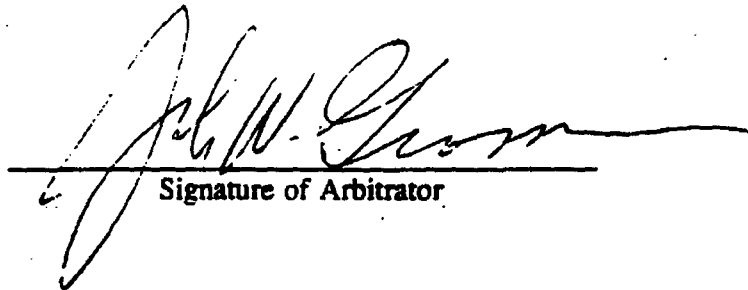
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Joseph W. Grossner, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 9, 1992 and by the Respondent on July 23, 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 Claimant Dennis A. Rash against Respondent Chatfield Dean & Co. Investment Bankers is dismissed.
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 Dennis A. Rash shall be retained by the NASD, Inc.

AFFIRMATION

I, **JOSEPH W. GROSSNER**, 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: December 2, 1992