

N.A.S.D. STIPULATED AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Suzan R. (Cittadine) Campbell

92-02354

Name of Respondents

Brian Frost
Raffensperger, Hughes & Co., Inc.

REPRESENTATION

For Claimant: David J. Cutshaw, Esq. of Cohen & Malad, P.C., Indianapolis, Indiana.

For Respondent Brian Frost: Mark E. Maddox, Esq. of Coons & Saint, Indianapolis, Indiana.

CASE INFORMATION

Statement of Claim filed: July 14, 1992.

Claimant's Submission Agreement signed on: July 10, 1992.

Statement of Answer filed by Respondent. Brian Frost on: September 25, 1992.

Statement of Answer filed by Respondent Raffensperger Hughes & Co., Inc: September 8, 1992.

Respondent Brian Frost's submission agreement signed on: September 24, 1992. Respondent Raffensperger Hughes & Co., Inc.'s Submission Agreement signed on: August 18, 1992.

HEARING INFORMATION

Hearing Date/Sessions: No hearing was held. The parties settled the matter before a hearing on the merits.

Hearing Location: Indianapolis, Indiana.

CASE SUMMARY

Claimant Suzan (Cittadine) Campbell ("Campbell") alleged that Respondent Raffensperger Hughes & Co., Inc. ("Raffensperger"), through its agent, Respondent Brian Frost ("Frost") improperly "churned" Campbell's accounts and placed certain of Campbell's funds in investments which Campbell believed were unsuitable for her investment objectives.

Respondent Raffensperger generally denied the allegations set forth in the Statement of Claim. Respondent Frost generally denied the substantive allegations, and specifically denied that Campbell suffered any losses or damages by means of wrong-doing on the part of Frost. Frost further alleged that Campbell was well-informed as to her accounts and their activity, and the recommendations were appropriate.

RELIEF REQUESTED

Claimant requested the return of the commissions wrongfully earned by the Respondents in the amount of more than \$136,000.00, the actual losses in Claimant's accounts and an amount equal to a reasonable rate of return that Claimant would have made had her funds been placed in an average mutual fund during the relevant fourteen month period, or \$228,300.00, interest expense incurred by Claimant relative to deficits in her margin account in the amount of \$12,976.39, attorney's fees, punitive damages of at least \$100,000.00, costs, and all other relief deemed just and proper.

Respondent Raffensperger Hughes denied that Claimant is entitled to the relief therein requested or any relief whatsoever. Respondent Brian Frost requested that the Statement of Claim be denied.

OTHER ISSUES CONSIDERED & DECIDED

By letter dated November 19, 1992, Claimant Campbell dismissed her claim against Respondent Raffensperger Hughes & Co., Inc.

AWARD

The undersigned arbitrators hereby acknowledge that the parties have voluntarily entered into the following settlement agreement amongst themselves. The undersigned arbitrators have made no findings of fact or conclusions of law.

1. The parties hereto hereby agree that an Agreed Award shall be entered in these proceedings against Frost in the amount of Seventy-Five Thousand Dollars (\$75,000.00), which award shall be enforceable as a judgment in any Court of competent jurisdiction in accordance with the relevant provisions of the NASD Code of Arbitration.

2. Collection of the Agreed Award will be governed by Section III of this Agreement.

3. The Agreed Award shall be enforceable in a Court of competent jurisdiction for a period of nine (9) years from the date of this Agreement.

III. Settlement Agreement

1. Within ninety (90) days of the execution of this Agreement, Frost shall pay the sum of Five Thousand Dollars (\$5,000.00) to Campbell.

2. Frost shall then pay to Campbell on the anniversary date of the payment listed in paragraph III.1. above, and for a period of six years thereafter, the sum of Five Thousand Dollars (\$5,000.00) until the total sum of \$35,000.00 is paid to Campbell under this Agreement.

a. Interest of three percent (3%) will be applied to the unpaid balance of the payments referenced in this paragraph such that Frost's final payment to Campbell will include, in addition to the \$5,000.00 payment, a payment of the sum of Three Thousand One Hundred Fifty Dollars (\$3,150.00) in interest.

3. In the event that Frost pays to Campbell the sums set forth in paragraphs III.1 and 2. above, the Agreed Award of \$75,000.00 shall be deemed to have been satisfied. Furthermore, in the event that Frost makes payments set forth above on the dates they are due, Campbell will be barred from initiating any proceedings to collect the Agreed Award of \$75,000.00.

4. In the event that Frost shall not make the payments listed in paragraphs III.1 and 2. above on the date they become due, Campbell shall be permitted to immediately enforce the Agreed Award and collect the same in a court of competent jurisdiction. In such an event, Frost shall not be credited with any payments to Campbell previously made, and Campbell shall be entitled to execute on the entire Agreed Award of \$75,000.00.

5. It is the intent of the parties that Frost's obligations under this Agreement shall not be dischargeable in bankruptcy and it is expressly agreed by Frost that the facts and circumstances of the claims are such that Campbell's claim would be an exception to the Dischargeability rules of the Bankruptcy Code.

6. Campbell agrees to keep the fact that this claim has been settled and the terms of the settlement confidential, and Campbell will not disclose the fact of settlement and the terms of this settlement to any person unless required to do so by a court of competent jurisdiction or by a regulatory agency having jurisdiction over the subject matter of Campbell's claim. Nothing in this Agreement, however, shall be construed as preventing Campbell to cooperate in any NASD investigations or proceedings arising out of the facts alleged in Campbell's Statement of Claim, and Campbell expressly reserves the right to cooperate in such NASD proceedings as she

may see fit.

7. Upon the payment of Frost of all payments referenced in paragraphs III.1 and 2.. and only in such an event. Campbell will release and forever discharge Frost of and from any and all claims which were asserted or which could have been asserted in Campbell's NASD Statement of Claim, or which arose from Frost's management of Campbell's account at Raffensperger, Hughes & Co., Inc.

8. Each party to this Agreement represents and warrants that they have been represented by legal counsel of their own choosing, that the terms of this Agreement and its ramifications have been explained to each party, and that each party understands the terms hereof and intends to be legally bound thereby.

9. This Agreement constitutes the undersigned parties' entire, voluntary agreement and this Agreement may not be modified or amended except by a writing executed by the parties hereto.

10. This Agreement shall be fully binding upon the parties to this Agreement, their heirs, administrators, executors, and assigns.

11. This Agreement shall be construed and enforced in accordance with the laws of the state of Indiana.

12. It is the intention of the parties that this Agreement be filed with the Arbitration Division of the NASD and that this Agreement operates to resolve the issues to be presented to the Arbitration Panel on March 23, 1993, and on March 24, 1993, such that the hearing scheduled for said dates shall be vacated.

13. All payments made by Frost to Campbell shall be sent to Suzan Campbell, 14801 Sulky Way, Carmel, Indiana 46032.

FORUM FEES

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

0 sessions X \$750 = \$0 minus hearing session deposit of \$750 = net \$0 due.

The NASD shall retain the nonrefundable filing fee in the sum of \$200 and shall refund to the Claimant Suzan Campbell, the \$750 hearing session deposit previously deposited with the NASD.

By the Arbitration Panel:

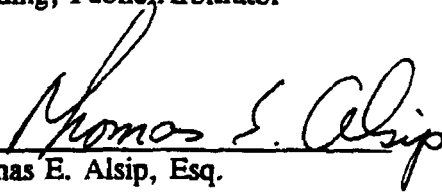
Dated:

4-16-93



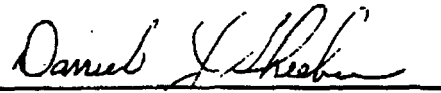
William S. Glickfield, Esq.
Presiding, Public Arbitrator

4-15-93



Thomas E. Alsip, Esq.
Public Arbitrator

4/25/93



Daniel J. Sheehan
Industry Arbitrator