

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Beverly Van Cott

vs.

92-02855

Name of Respondents

A.G. Edwards & Sons, Inc.
Fred Corfee

REPRESENTATION

For Claimant: Beverly Van Cott ("Claimant") represented herself.

For Respondent: A. G. Edwards & Sons, Inc. ("A.G. Edwards"); Clay L. Grumke, Litigation Counsel at A. G. Edwards.

For Respondent Fred Corfee ("Corfee"): Peter R. Boutini, Esq. of the law firm of Keesal, Young & Logan.

CASE INFORMATION

Statement of Claim filed: August 24, 1992.

Claimant's Submission Agreement signed on: August 20, 1992.

Claimant's Addendum to Claim letter filed: October 16, 1992.

Statement of Answer filed by Respondent, A.G. Edwards on: October 30, 1992.

Respondent, A.G. Edwards's Submission Agreement signed on: October 28, 1992.

Statement of Answer filed by Respondent, Corfee on: October 29, 1992.

Respondent Corfee's Submission Agreement signed on November 30, 1992.

HEARING INFORMATION

Hearing Dates/Sessions: August 4, 1993 - two sessions
 August 5, 1993 - two sessions
 October 14, 1993 - two sessions

Hearing Location: Holiday Inn, Philadelphia, Pennsylvania.

CASE SUMMARY

Claimant alleged that during the period from December 1986 to September 20, 1988, Corfee churned her account, traded securities without her authorization and invested in securities that were unsuitable for Claimant. Claimant alleged that Corfee made material misrepresentation to create the impression that Claimant's account was profitable and to create the impression that he was a skilled broker. Claimant alleged that Corfee's trading strategy was highly speculative and would have required Claimant to achieve high returns in order to cover the commissions. Claimant alleged that Corfee's investment strategy would only benefit the Respondents at her expense. Claimant alleged that Corfee failed to follow her stated investment objective of safety of principle. Claimant alleged that A.G. Edwards is responsible for the actions of its agent Corfee.

A.G. Edwards categorically denied all allegations of wrongdoing. A.G. Edwards maintained that Claimant's claim is barred by the applicable statute of limitations. A.G. Edwards maintained that Corfee properly handled Claimant's account in line with her stated investment objectives. A.G. Edwards maintained that all trades were authorized by Claimant and that her account was not churned. A.G. Edwards maintained that any losses sustained by Claimant was due to her own investment decisions. A.G. Edwards asserted a counterclaim for attorney's fees.

Corfee categorically denied all allegations of wrongdoing and maintained that Claimant's claim is spurious and a personal vendetta. Corfee maintained that Claimant's allegations of churning and unsuitability are without merit. Corfee maintained that Claimant's claim of unauthorized trading is without merit. Corfee maintained that Claimant's allegations of wrongdoing by Corfee are false. Corfee maintained that Claimant's claims are time-barred and should be dismissed.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$7,413.09, plus interest at the rate of 8%, plus margin interest charged and punitive damages in the amount of \$100,000.00.

Respondents A.G. Edwards and Corfee requested that Claimant's claim be dismissed and that Respondents be awarded costs, expenses and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondents Motion to dismiss Claimant's claim as time barred is denied in its entirety.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and hearing submissions, the undersigned arbitrator ^{has} ~~have~~ decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents A.G. Edwards and Fred Corfee are jointly and severally liable to Claimant and shall pay Claimant the sum of FOUR THOUSAND THREE HUNDRED EIGHTEEN and 75/100 DOLLARS (\$4,318.75), exclusive of interest.
2. That Claimant's claim for punitive damages is denied in its entirety.
3. That each party shall bear their respective costs and attorney's fees excepts as specifically provided for herein.

FORUM FEES

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

$$6 \text{ hearing sessions} \times \$750.00 = \$4,500.00$$

Forum fees are equally assessed against each party in the amount of \$1,500.00.

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Therefore, Claimant is assessed forum fees in the amount \$1,500.00; however, she is entitled to offset this amount with her hearing session fee of \$750.00 previously deposited of \$750.00 so that Claimant shall pay \$750.00 in forum fees.

A.G. Edwards and Corfee shall each pay forum fees in the amount \$1,500.00.

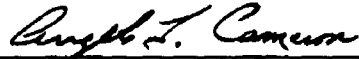
Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Daniel I. Murphy, Esq. - Public Chairperson
Mary Ann M. Melchiorre, Esq. - Industry Panelist
Angelo L. Cameron, Esq. - Public Panelist

DISSENTING ARBITRATOR SIGNATURE

Name



Angelo L. Cameron, Esq. - Dissents and would find for Respondents.

NASD Date of Decision: December 13, 1993

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ARBITRATION PANEL

Daniel I. Murphy, Esq. - Public Chairperson
Mary Ann M. Melchiorre, Esq. - Industry Panelist
Angelo L. Cameron, Esq. - Public Panelist

Concurring Arbitrator Signature

Name


Mary Ann M. Melchiorre, Esq.

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Angelo L. Cameron, Esq. - Public Panelist

Concurring Arbitrator Signature

Name


Daniel I. Murphy, Esq.

per interlineation above

NASD Date of Decision: December 13, 1993