

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

In the Matter of the Arbitration Between

**Name of Claimant**

Louise Brock

NASD Arbitration  
No. 92-03083

**Name of Respondent**

National Securities Corporation  
Joseph DeBeauchamp

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**REPRESENTATION**

For Claimant: Louise Brock - En Pro Se

For Respondent: Mark Roth, Esq. - National Securities Corp. - Seattle, Wa.

**CASE INFORMATION**

Statement of Claim filed: September 15, 1992

Claimant's Submission Agreement signed: September 10, 1992

Statement of Answer filed by Respondents: October 26, 1992

Respondent, National Securities Corporation's Submission Agreement signed:  
October 23, 1992

**HEARING INFORMATION**

Hearing Date/Sessions: April 27, 1993 - Two Sessions

Hearing Location: Las Vegas, Nevada

## **CASE SUMMARY**

Claimant, Louise Brock (Brock), alleged that Respondent, Joseph DeBeauchamp, while employed by Respondent, National Securities Corporation, induced Brock into the purchase of common stocks and high-risk limited partnerships with the proceeds from her sale of a mutual fund. Brock alleged that said purchases were unsuitable in light of Brock's investment objectives.

Respondents, answering jointly, alleged that Brock had experience in investments and was the driving force behind the investments made in her account and that Brock rejected DeBeauchamp's recommendations and structured her own portfolio to maximize her income. It is also alleged that Brock insisted on selling her mutual fund and that Claimant and Respondent agreed to the purchase of higher risk securities to increase Claimant's income.

## **RELIEF REQUESTED**

Claimant seeks rescission of the limited partnership investments, reimbursement of actual losses of \$20,000.00, value at the time of transfer of her account in the amount of \$3,312.50 plus treble damages of \$60,000.00 for emotional distress.

Respondents seek dismissal of the claim in its entirety plus costs.

## **OTHER ISSUES CONSIDERED & DECIDED**

Respondents also sought dismissal of the claim because the claims were barred by applicable statutes of limitations. Said motion was denied by the panel.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

### **AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions (if any), the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Joseph DeBeauchamp and National Securities Corporation, are jointly and severally liable and shall pay to Claimant, Louise Brock, the sum of Nine Thousand Seven Hundred Eleven Dollars and Sixty Four Cents (\$9,711.64) representing the difference between the purchase price and the current value of the Sahara Casino Limited Partnership and the Mesa Limited Partnership which the panel found to be unsuitable purchases.
2. All other claims of Claimant including claims for treble damages are dismissed.
3. The parties shall each bear their respective costs and fees.
4. The NASD shall retain the \$500.00 hearing session deposit as an assessment of forum fees for one hearing session.

### **FORUM FEES**

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

1. Respondents are jointly and severally assessed the sum of \$500.00 representing forum fees for one hearing session.

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

## ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Ann M. Seward, Esq.	Public Chairperson
Joseph M. Zewin	Public Panelist
Harvey Hudgins	Industry Panelist

### Concurring Arbitrators' Signatures

MSeward

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SERVED 5/27/93

Date of Decision:

April 27, 1993