

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Michael Ventry and Mary Louise Ventry

92-03188

Name of Respondents

Robert Thomas Securities, Inc.  
William Bledsoe

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 22, 1992, Claimants Michael and Mary Louise Ventry, who appeared Pro Se, alleged that on September 5, 1991 they were solicited by Respondent William Bledsoe, an agent of Respondent Robert Thomas Securities, Inc., to purchase 400 shares of common stock of Cascade International. Claimants further alleged that on December 1, 1991 they received a letter from Mr. Thomas James, President of Raymond James Financial, the parent company of Respondent Robert Thomas Securities, Inc., informing them that Cascade was in trouble and he apologized on behalf of his company for having involved them in the investment of Cascade. Claimants contended that the stock was recommended ~~and~~ old information, not on the latest data available, and Claimants were not informed that a Raymond James Financial Analyst downgraded the stock on August 29, 1991 from a buy to a hold. Claimants further contended that they were not informed of the analyst's constant flow of reports after his downgrading of the stock on August 29, 1991 or that the stock price of Cascade was falling or that a national service declared the Chairman of Cascade was a fraud because Cascade owned/operated 18 stores, not 29 stores that his financial statements were indicating. Claimants asserted that because of Respondents' actions, they incurred damages in their account.

Respondents Robert Thomas Securities, Inc. and William Bledsoe, by and through their in-house counsel Paul L. Matecki, Esq., maintained that the recommendation of the purchase of Cascade by Respondent William Bledsoe was consistent with prior purchases made by Claimants Michael and Mary Louise Ventry. Respondents further maintained that it was Respondent William Bledsoe's practice with all of his customers to advise them of the risks and short comings related

to any security whereby he followed that practice with his recommendation of Cascade. Respondents contended that Respondent William Bledsoe explained to Claimants that the stock had been downgraded by Raymond James Financial's analyst but he still felt it had good potential because of its success in recent years. Respondents further contended that Respondent William Bledsoe generally discounted his commission to his customers, counting on their return business to generate his profits. Respondents asserted that Claimants were fully apprised of the knowledge which Respondents had available to them regarding Cascade and recommended Cascade because it suited Claimants' investment objective needs and financial sophistication. Respondents further asserted that the fraud perpetrated by Cascade principals was not perpetrated by Respondents, therefore, Respondents should not be held responsible for it.

#### **RELIEF REQUESTED**

Claimants Michael and Mary Louise Ventry requested the sum of \$4,150.00 in actual damages and reimbursement of the \$150.00 NASD filing fee.

Respondents Robert Thomas Securities, Inc. and William Bledsoe requested the claim be dismissed.

#### **AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Fred A. Tillman, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on September 15, 1992, by the Respondent Robert Thomas Securities, Inc. on July 14, 1993 and by the Respondent William Bledsoe on July 13, 1993.

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. Respondents Robert Thomas Securities, Inc. and William Bledsoe are jointly and severally liable and shall pay to the Claimants Michael and Mary Louise Ventry the sum of \$1,950.00 in damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Michael and Mary Louise Ventry shall be retained by the NASD, Inc.

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**AFFIRMATION**

I, **FRED A. TILLMAN**, 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.

  
Fred A. Tillman

**DATE OF DECISION:** September 29, 1993