

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Marlene (Lopez) Bradley

NASD Arbitration
No. 92-03256

Name of Respondents

Wedbush Morgan Securities, Inc.
David E. Vargas

REPRESENTATION

For Claimant: Lee D. Kersten, Esq. - Eugene, Oregon

For Respondents: Marie E. Eaton - Wedbush Morgan Securities, Inc.

CASE INFORMATION

Statement of Claim filed: September 28, 1992

Claimant's Submission Agreement signed: September 23, 1992

Statement of Answer filed by Respondent: November 11, 1992

Respondent, Wedbush Morgan Securities, Inc.'s Submission Agreement signed:
November 18, 1992

Respondent, David E. Vargas's Submission Agreement signed: November 11, 1992

HEARING INFORMATION

Hearing Date(s)/Sessions: May 11, 1993 - Two Sessions

Hearing Location: Portland, Oregon

CASE SUMMARY

Claimant, Marlene (Lopez) Bradley (Bradley) alleged that Respondent David E. Vargas (Vargas), while employed by Respondent, Wedbush Morgan Securities, Inc.(WMS), negligently, improperly, in violation of law, in violation of Vargas' agreement with Bradley, engaged in discretionary trades which were contrary to Bradley's written Plan, contrary to his investment instructions, thereby creating significant losses in Bradley's account.

Respondents, answering jointly, alleged that a review of the account activity showed that both prior and after the publication of the investment advice Bradleys account consisted of assets in growth and income issues.

RELIEF REQUESTED

Claimants sought monetary damages of not less than \$21,743.50 plus interest thereon for improper trades, disgorgement of commissions, \$5,305.88 in margin interest paid, \$5,000.00 for "churning", costs fees and attorneys fees. Monetary damages of \$3,624.00 for commissions charges, monetary damages for improper trading not less than \$5,000.00, the greater of the value of 280 shares of American Opportunity Income Fund, Inc.s on the date the account was closed or the date of this decision.

Respondents seek dismissal of the claim in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Wedbush Morgan Securities, Inc., is liable and shall pay to claimant, Marlene (Lopez) Bradley, the sum of Twenty Two Thousand, Nine Hundred Fifty Seven Dollars and Seventy Three Cents (\$22,957.73).
2. Respondent, David E. Vargas, is liable and shall pay to claimant, Marlene (Lopez) Bradley, the sum of Twenty Two Thousand Six Hundred Twenty Five Dollars and Ninety Nine Cents (\$22,625.99).
3. Claimant's claim for punitive damages is denied.
4. The parties shall each bear their respective costs and fees, including attorneys' fees.

FORUM FEES

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

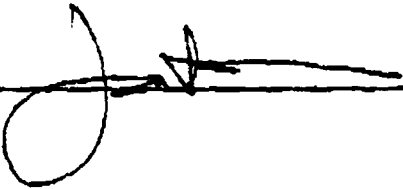
- a. The NASD shall retain Claimant's \$400.00 hearing session deposit as an assessment for one hearing session.
- b. Respondents shall pay to the NASD the sum of \$400.00 representing an assessment for one hearing session.

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

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Jonathan Ross	Public Chairperson
Stephen McConnel	Public Panelist
Dana Bauer	Industry Panelist

Concurring Arbitrators' Signatures



Date of Decision: 6/20/93