

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

George A. Johnston
Madelin L. Johnston

CONSOLIDATED CASES
92-03389 and 92-03393

Name of Respondent(s)

Kendall W. Cameron

REPRESENTATION

For Claimants: Steven C. Frol, Esq., Metz, Frol & Jorgensen,
P.S., Seattle, Washington

For Respondent: No appearance by Kendall W. Cameron

CASE INFORMATION 92-03389

Statement of Claim filed: October 6, 1992
Claimant George A. Johnston's Submission Agreement signed:
September 15, 1992

Statement of Answer filed by Respondent: July 23, 1993

CASE INFORMATION 92-03393

Statement of Claim filed: October 6, 1992
Claimant Madelin L. Johnston's Submission Agreement signed:
September 15, 1992

Statement of Answer filed by Respondent: July 23, 1993

Respondent Kendall W. Cameron did not file Submission Agreements.
However, he is subject to National Association of Securities
Dealers, Inc. (NASD) jurisdiction in accordance with Section 12 of
the NASD Code of Arbitration Procedure.

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): October 18, 1993 (one session)

Hearing Location: Seattle, Washington

CASE SUMMARY

Claimant George A. Johnston as beneficiary of IRA Account Number OFN-654442 and Claimant Madelin L. Johnston as beneficiary of IRA Account Number OFN-654450 submitted the following allegations with respect to the purchase of options in their accounts: Violation of the Federal Securities Exchange Act, the Securities Act of Washington, and the NASD Rules of Fair Practice including but not limited to: (a) unauthorized trading; (b) that the pattern of trading was excessive in size and frequency; (c) that the pattern of trading was not in Claimants' best interest nor consistent with their stated investment objectives; (d) that commissions, considering the size of the accounts, had become the primary objective of Respondent in the accounts; and (e) that Mutual Securities, Inc. failed to supervise and monitor Claimants' accounts.

Respondent Kendall W. Cameron denied Claimants' allegations of wrongdoing and alleged that he acted with extreme diligence and good faith in attempting to meet his clients' objectives and meeting his responsibilities under the rules and regulations of the NASD. Mr. Cameron further alleged that Claimants were informed of and accepted the risks associated with their investments.

RELIEF REQUESTED

George A. Johnston requested damages in the amount of \$6,373.33 plus attorney's fees.

Madelin L. Johnston requested damages in the amount of \$4,111.99 plus attorney's fees.

Kendall W. Cameron requested dismissal of Claimants' claims.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the undersigned arbitrator was advised of the settlement reached between Claimants and Mutual Securities, Inc. a division of Cowles, Sabol & Co., Inc.

Respondent Kendall W. Cameron did not appear at the evidentiary hearing. The undersigned arbitrator ruled to proceed with the hearing after determining that notices containing the date, time and location of hearing were properly mailed to Mr. Cameron's mailing

address.

Following the evidentiary hearing and prior to reaching a final determination with respect to the above-captioned matter, the undersigned arbitrator reviewed and considered correspondence submitted by the parties relative to Mr. Cameron's request to reopen the hearing in this matter. The undersigned arbitrator determined that all parties as well as the presiding arbitrator were properly notified of the date, time and location of hearing and denied Mr. Cameron's request.

AWARD

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

1. Respondent Kendall W. Cameron is liable for and shall pay to Claimant George A. Johnston the sum of \$5,058.61.
2. Respondent Kendall W. Cameron is liable for and shall pay to Claimant George A. Johnston the sum of \$1,693.75 in attorney's fees pursuant to the Washington Securities Act.
3. Respondent Kendall W. Cameron is liable for and shall pay to Claimant Madelin L. Johnston the sum of \$3,264.55.
4. Respondent Kendall W. Cameron is liable for and shall pay to Claimant Madelin L. Johnston the sum of \$1,693.75 in attorney's fees pursuant to the Washington Securities Act.

SPECIAL FINDINGS

The undersigned arbitrator finds that Respondent Kendall W. Cameron defrauded Claimants.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall refund the \$200.00 hearing session deposit previously deposited by George A. Johnston and refund the \$100.00 hearing session deposit previously deposited by Madelin L. Johnston. Forum fees are assessed against:

Respondent Kendall W. Cameron in the amount of \$200.00, calculated as follows: One hearing session times \$200.00/session.

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

ARBITRATOR

Name _____ Public / Industry

Eric A. Chiappinelli, Esq.

Public Arbitrator

Concurring Arbitrator's Signature

Eric A. Chiappinelli
Eric A. Chiappinelli, Esq.

Served: 01/13/94

Date of Decision: *Jan 7, 1994*