

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

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

In the Matter of the Arbitration Between

**Name of Claimant**

Sheri Ralston

NASD Arbitration  
No. 92-03595

**Name of Respondent**

Charles Inman, dba First National Financial Center,  
and Consolidated Investment Services

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**REPRESENTATION**

For Claimant: Jerome E. LaBarre, Esq., of LaBarre and Associates, Portland  
Oregon.

For Respondent: Shaun T. Gloude, Esq., Littleton, Colorado.

**CASE INFORMATION**

Statement of Claim filed:	October 23, 1992
Claimant's Submission Agreement signed:	August 22, 1992
Statement of Answer filed by Respondent:	December 18, 1992
Respondent's Submission Agreement signed:	December 8, 1992

### **HEARING INFORMATION**

Pre-Hearing Conference: May 17, 1993 - One Session

Hearing Date(s)/Sessions: May 26, 1993 - Two Sessions  
May 27, 1993 - Three Sessions  
May 28, 1993 - Two Sessions

Hearing Location: Portland, Oregon

### **CASE SUMMARY**

Claimant alleged breach of fiduciary duty, unsuitability, fraudulent misrepresentation, fraud, recklessness, and negligence in connection with the sale of several limited partnership interests to Claimant by Respondents. Claimant further alleged unsuitability, and unauthorized trading activity in the sale of The Franklin Income Fund to Claimant by Respondents.

Respondents collectively denied all substantive allegations of the Statement of Claim, and asserted the following affirmative defenses; failure to state a claim upon which relief may be granted, failure to mitigate damages, assumption of risk, contributory negligence, frivolous and groundless claims, and failure to plead fraud with the requisite specificity and particularity.

### **RELIEF REQUESTED**

Claimants requested:

1. Recovery of not less than \$200,000 for losses suffered;
2. Interest on the above;
3. Punitive damages of \$500,000;
4. Attorney's fees;
5. Costs of suit.

Respondents requested:

1. Dismissal of Claimant's Statement of Claim.
2. Such other relief as the panel deems appropriate.

### **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 original 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, Charles Inman, and Consolidated Investment Services, are jointly and severally liable and shall pay to claimant, Shari Ralston, the sum of Thirty Seven Thousand Eight Hundred Dollars (\$37,800.00) plus interest at the legal rate of Nine Percent (9%) from May 28, 1993 until paid in full.
2. Claimants claim for punitive damages is denied.
3. The parties shall each bear their respective costs and fees, including attorney's fees.

### **FORUM FEES**

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

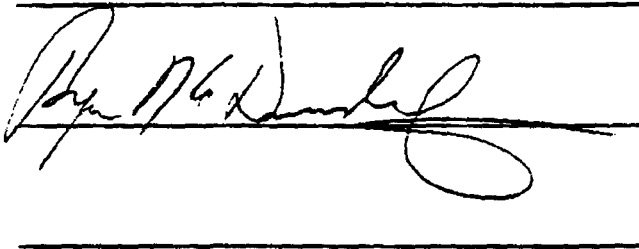
1. The NASD shall refund to Claimant the \$1000.00 previously deposited by claimant.
2. Respondents are jointly and severally assessed forum fees for one pre-hearing session at \$300.00, and seven hearing sessions at \$1000.00 each, for a total of \$7,300.00.

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

## ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Roger Tilbury,	Public - Chairperson
Bryan K. Devendorf,	Industry
Clyde Fahlman,	Public

### Concurring Arbitrators' Signatures



A handwritten signature, likely of Roger Tilbury, is written over a horizontal line. The signature is cursive and stylized, with a long horizontal stroke extending to the right.

Date of Decision: MAY 28, 1993