

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Gordon L. Ritchie

NASD Arbitration
No. 92-04095

Name of Respondent(s)

Franklin Lord, Inc.
Richard C. Whelan

REPRESENTATION

For Claimant: Gordon L. Ritchie, Danville, California

For Respondents: H Thomas Fehn, Esq., Fields, Fehn & Sherwin, Los Angeles,
California

CASE INFORMATION

Statement of Claim filed: December 3, 1992

Claimant's Submission Agreement signed: November 30, 1992

Joint Statement of Answer filed by Respondents: December 31, 1992

Respondents' Submission Agreements signed: December 22, 1992

HEARING INFORMATION

Pre-hearing Conference: None
Hearing Date/Sessions: August 13, 1993 (two sessions)
Hearing Location: San Francisco, California

CASE SUMMARY

Claimant alleged misrepresentations with respect to the shares of Alco International Group (ALIG) stock maintained in Claimant's IRA account. Claimant further alleged that Richard C. Whelan of Franklin Lord, Inc. coerced Claimant into selling his shares of ALIG stock causing Claimant to suffer a financial loss and emotional distress.

Respondents denied Claimant's allegations and alleged that Claimant is a sophisticated investor who made his own decision to sell based on the recommendation by Richard C. Whelan.

RELIEF REQUESTED

Claimant requested:

1. Damages in the amount of \$10,432.50 plus interest from November 27, 1992 until the date of award; and
2. Punitive and/or treble damages.

Respondents requested:

1. Dismissal of Claimant's claims;
2. Costs; and
3. Attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

Prior to the hearing, the undersigned arbitrator reviewed and considered the written positions of the parties relative to Respondents' request that the evidentiary hearing be held in Los Angeles, California instead of San Francisco, California. The arbitrator determined that the hearing should take place in San Francisco,

California.

AWARD

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

1. The arbitrator finds that Claimant did not meet his burden of proving his allegation that Respondents made fraudulent statements in order to coerce him into selling his shares of ALIG stock. Therefore, all claims by Claimant, including the claims for punitive and/or exemplary damages, are denied.
2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain the \$300.00 hearing session deposit previously deposited by the Claimant. Forum fees are to be split between Claimant and Respondents and are calculated as follows:

| | | |
|---|---|----------|
| Two hearing sessions @ \$300.00/session | = | \$600.00 |
| Total fees assessed | = | \$600.00 |
| Claimant's share (50%) | = | \$300.00 |
| Credit for hearing deposit | = | \$300.00 |
| Balance due | = | \$ 0.00 |
| Respondents' share, jointly and severally (50%) | = | \$300.00 |
| Balance due | = | \$300.00 |

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

ARBITRATOR

Name _____ **Public/Industry**

Joanna Leighton, Esq.

Public Arbitrator

Concurring Arbitrator's Signature



Joanna Leighton, Esq.

Date Served: 09/03/93

Date of Decision: _____