

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Jim E. Welch

92-04227

Name of Respondents

Venture Trading Inc.
Roberta R. Degand

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 18, 1992, Claimant Jim E. Welch who appeared Pro Se, alleged that Respondent Roberta Degand, while employed by the Respondent firm Venture Trading Inc., recommended he purchase 2,000 California Biotech Warrants, without explaining the nature of this investment or when the warrants had to be sold. The Claimant further alleged that the Respondents failed to provide him with any written information on the warrants and that due to this violation of their fiduciary responsibility, he should be reimbursed for his loss.

Respondent Venture Trading Inc. through its representative, Douglas Temple Trujillo, maintained that it took sufficient steps to inform the Claimant of the type of investment warrants were, and any inaction would be his responsibility. Respondent Venture Trading contended it holds no liability in this matter.

Respondent Roberta Degand, who appeared Pro Se, maintained that she explained this investment to the Claimant in detail and that when he received the confirmation for the purchase of these warrants, she explained about when the warrants expired. The Respondent further maintained that she contacted Claimant Welch prior to the expiration to encourage him sell to them, and in addition, he was notified on three occasions of his options. Respondent Degand contended that she performed all her duties to his client and she should not be held liable for his decision to let the warrants expire.

In a reply to the answer of the Respondents, the Claimant refuted their defenses and contended that he purchased the warrants on the advice of Respondent Degand with the understanding that she would handle the sale when it was appropriate. The Claimant further contended that he did not receive written confirmation telling him when the warrants would expire, or he would have instructed the broker to sell them. Claimant Jim E. Welch requested that he be compensated for losses he has incurred due to the negligence of the Respondents.

RELIEF REQUEST

Claimant Jim E. Welch requested \$5,165.00 in actual damages.

Respondent Venture Trading, Inc. requested that the claims of the Claimant be dismissed.

Respondent Roberta Degand requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Edward F. O'Keefe, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on December 11, 1992, by the Respondent Venture on April 23, 1993 and by the Respondent Roberta Degand on March 4, 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. The claims of the Claimant Jim E. Welch against Respondents Venture Trading Inc. and Roberta Degand are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD.

AFFIRMATION

I, **EDWARD F. O'KEEFE, ESQ.**, 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.



Edward F. O'Keefe, Esq.

DATE OF DECISION: August 24, 1993