

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Joan T. Ashton

93-00028

Name of Respondent

Karen A. Shockley

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 5, 1993, Claimant Joan T. Ashton, who appeared Pro Se, alleged that Respondent Karen A. Shockley of the firm Chatfield Dean Investment Bankers & Co., placed her funds in unsuitable securities, such as NTN Canada stock and Dental Health America, and that her portfolio decreased almost 70% from her original investment. The Claimant contended that the Respondent led her to believe she would invest her money wisely, and that she would be subject to little risk, but instead she was placed into speculative investments, causing her to incur losses for which the Respondent should be held liable.

Respondent Karen A. Shockley failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Joan T. Ashton requested \$10,000.00 in actual damages.

Respondent Karen A. Shockley failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent Karen A. Shockley was served a copy of the Statement of Claim by certified mail and given an opportunity to respond, which she failed to do. The Respondent received the claim and notice of overdue answer, as evidenced by signed return receipt cards.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent Karen Shockley had notice of the claim and was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, William H. LeRand, 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 29, 1992 but not signed by the Respondent as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

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. Respondent Karen A. Shockley is liable and shall pay to Claimant Joan T. Ashton \$10,000.00 in actual damages.
2. Respondent Karen A. Shockley is liable and shall pay to Claimant Joan T. Ashton simple interest at the rate of 10% per annum from March 31, 1991 to the date of payment of the award.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Karen A. Shockley is liable and shall pay \$150.00 to the Claimant as reimbursement of the fee.

AFFIRMATION

I, WILLIAM H. LeRAND, 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.



Signature of Arbitrator

DATE OF DECISION: December 1, 1993

REPORT OF ARBITRATOR

In her claim, Claimant, alleged that at the time of her retirement, she has a total amount of \$46,939.69 of funds in IRA accounts and various thrift accounts, that such be reinvested within 60 days to avoid IRS penalties. Claimant took these funds to Respondent, a broker for the firm of Chatfield Dean & Co. of Englewood, Colorado. Claimant further alleged that she desired the investments to be of a conservative nature, with only a "small concentration in the speculative arena". Claimant's claim arises from alleged unsuitable purchases of 78,100 shares of NTN Canada stocks, 5,000 shares of Dental Health of America stocks and 1,000 shares of Americus TR at a total cost of \$41,188.00, representing 87.7 percent of her total investment. Claimant argues that the lack of suitability for these investments can be established by the fact that between the time of investment and that about 15 months later, these three questioned investments represented a loss of \$17,630.00, that further, Americus TR and Dental Health of America had no selling value. Selling value for NTN Canada was established at \$8,826.00.

No evidence was submitted to establish just what kind of investment program that Claimant desired at the time of the opening of the account with Respondent. Lacking documents, such as the Account Agreement that is required at the time an account is opened, it can only be speculated as to what was the initial intent of Claimant at that time. Accepting that the funds for investment were proceeds from various retirement programs, in cooperation with her former employer, it can be readily assumed that Claimant desired to continue similar retirement objectives in future investment programs.

William F. Land