

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

James W. and Joan T. Ashton

93-00041

Name of Respondents

Allied Capital Group, Inc.
Bruce H. Chandler

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 4, 1993, Claimants James W. Ashton and Joan T. Ashton, who appeared Pro Se, alleged that Respondents Bruce H. Chandler and Allied Capital Group, Inc. misrepresented the value of OTC America stock, which Respondent Bruce H. Chandler persuaded them to purchase. The Claimants contended that Respondent Bruce H. Chandler told them that they could sell their Taste It Presents stock for \$1.12 per share if they purchased the OTC America stock for \$.75 per share, or they could sell the Taste It Presents stock for \$.50 per share and invest the proceeds wherever they chose. The Claimants further contended that after they purchased the OTC America stock, its value dropped and ultimately it became valueless. The Claimants also alleged that they learned through another broker that the OTC America stock never traded higher than \$.25, and that they have suffered damages due to the wrongdoing of the Respondents, for which they should be held liable.

Respondents Allied Capital Group, Inc. and Bruce H. Chandler failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimants James W. Ashton and Joan T. Ashton requested \$5,354.00 in actual damages.

Respondents Allied Capital Group, Inc. and Bruce H. Chandler 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 Respondents Allied Capital Group, Inc. and Bruce H. Chandler were served a copy of the Statement of Claim by regular and certified mail and given an opportunity to respond, which they failed to do. Service was affected as evidenced by the return receipt card on file at the NASD, Inc.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondents Allied Capital Group, Inc. and Bruce H. Chandler were required to submit to this arbitration proceeding and are, 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, Leonard F. Greenwold, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on December 29, 1992, but not signed by the Respondents Allied Capital Group, Inc. and Bruce H. Chandler 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. The claims of the Claimants James W. and Joan T. Ashton against Respondents Allied Capital Group, Inc. and Bruce H. Chandler are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. Respondents Allied Capital Group, Inc. and Bruce H. Chandler are liable and shall pay to the Claimants James W. and Joan T. Ashton \$75.00 as partial reimbursement of the filing fee.

AFFIRMATION

I, **LEONARD GREENWOLD**, 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: **May 5, 1994**