

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

James H. and Bonnie L. Lear

93-00370

Name of Respondents

Protective Group Securities Corporation  
Michael Flannigan

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 2, 1993, Claimants James H. and Bonnie L. Lear who appeared Pro Se, alleged that they purchased Euro Disneyland SCA based on information provided to them by Respondent Michael Flannigan, President of Respondent Protective Group Securities Corporation. Claimants further alleged that Respondent Michael Flannigan told them that "85% of the profits goes back to the stockholders under French Law", and Claimants learned months later that this was wrong; in addition, important facts/information concerning Euro Disneyland SCA had been withheld. Claimants contended that had they been presented all the facts before their stock purchase, they would have never purchased the stock and because of this they suffered a loss on the stock.

Respondents alleged that Protective Group Securities Corporation and Michael Flannigan, its President, maintained that Claimants James H. and Bonnie L. Lear are sophisticated investors who by their own statements received information on Euro Disneyland from other brokerage firms, and held on to the stock even after two major wirehouses apparently recommended selling the stock at that time. Respondents further maintained the recommendation was made in good faith and Respondents believed that the stock was suitable for the Claimants based on their statements of their degree of knowledge, market participation and stated objections. Respondents contended that the statement Claimants claim they were misled relating to dividend policy is in fact true and Claimants had full knowledge why the stock was falling at which time. Claimants could have cut most of their eventual losses by selling when they discovered the negative information.

**RELIEF REQUESTED**

Claimants James H. and Bonnie L. Lear requested \$8,773.94 in actual damages.

Respondents Protective Group Securities Corporation and Michael Flannigan requested the claim be denied.

**AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Casandra Mihalchick, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on January 29, 1993 and by the Respondents on March 1, 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 Claimants James H. and Bonnie L. Lear against Respondents Protective Group Securities and Michael Flannigan are dismissed.
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 James H. and Bonnie L. Lear shall be retained by the NASD.

**AFFIRMATION**

I, Casandra Mihalchick, 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.

  
Signature of Arbitrator

Date of Decision: May 24, 1993