

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Darren A. Lowe

93-00490

Name of Respondent

High Yield Management Securities, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 9, 1993, Claimant Darren A. Lowe, who appeared Pro Se, alleged that on February 9, 1993 Respondent High Yield Management Securities, Inc., by and through Patrick Palmer, Account Executive, highly recommended the purchase of 6,000 shares of Goldfever Res. Ltd., a common stock on the NASDAQ exchange where it sold as a consolidate securities account through Respondent. Claimant further alleged that within a short period of time he lost \$3,377.80 which put him in a severe financial strain, at which time, when Claimant questioned Respondent by and through Mr. Palmer, in October and November of 1988, he told Claimant not to worry. Claimant contended that he later learned that Respondent did not have the proper signatures from Claimant to make such transactions. Claimant further contended that due to Respondent's misrepresentations, he incurred losses in his account.

Respondent High Yield Management Securities, Inc. failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Darren A. Lowe requested \$3,377.80 in actual damages.

Respondent High Yield Management Securities, Inc. 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, High Yield Management Securities, Inc. was served a copy of the Statement of Claim by regular mail on March 17, 1993 and given an opportunity to respond, which they failed to do.

Respondent was notified on April 22, 1993, via certified mail, that their Statement of Answer was overdue. The signed certified mail receipt was returned to the NASD dated April 26, 1993, evidencing their receipt of this correspondence. Respondent was notified on April 29, 1993, via certified mail, of the selected arbitrator, pursuant to Section 21 of the NASD Code of Arbitration Procedure. The signed certified mail receipt was returned to the NASD date stamped May 3, 1993, evidencing their receipt of this correspondence.

Respondent High Yield Management Securities, Inc. failed to file an Answer to the Statement of Claim.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent High Yield Management Securities, Inc. 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, Rena E. Grossfield, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 3, 1993 but not 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 High Yield Management Securities, Inc. is liable and shall pay to the Claimant Darren A. Lowe the sum of \$3,377.80 in damages.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Darren A. Lowe shall be retained by the NASD, Inc. Respondent High Yield Management Securities, Inc. is liable and shall pay to the Claimant the sum of \$125.00, as reimbursement.

AFFIRMATION

I, **RENA E. GROSSFIELD**, 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.

Rena E. Grossfield
Signature of Arbitrator

DATE OF DECISION: June 23, 1993

STATE OF:

SS:

COUNTY OF:

On this 15th day of June 1993, before me personally appeared Rena E. Grossfield to me known and known before me to be the individual described in and who executed the foregoing instrument and she duly acknowledged to me that she executed the same.

Anita Callen Wiener

Anita Callen Wiener
Notary Public, State of New York
No. 31-4755330
Qualified in New York County
Commission Expires 8/31/93