

**N.A.S.D. AWARD**  
**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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In the Matter of the Arbitration Between

Name of Claimant

Michael Smith

93-00780

Name of Respondents

First Georgetown Securities, Inc.  
National Financial Services Corp.

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REPRESENTATION

For Claimant Michael Smith ("Claimant"): appeared pro se.

For Respondents First Georgetown Securities, Inc. ("First Georgetown") and National Financial Services Corp. ("NFSC"): Robert T. Mann, President of First Georgetown.

CASE INFORMATION

Statement of Claim filed: September 2, 1993

Claimant's Submission Agreement signed on: August 26, 1993

Statement of Answer filed by First Georgetown on: October 25, 1993

Submission Agreement signed on: October 22, 1993

NFSC did not submit an answer or a Submission Agreement.

HEARING INFORMATION

Hearing Date Session: July 8, 1994--one session

Hearing Location: Law firm of Sidley & Austin, 1722 Eye Street, N.W., Washington, D.C. 20006.

### CASE SUMMARY

Claimant's claims: Claimant alleged that Respondents acted improperly and/or fraudulently in handling Claimant's request to close his account at First Georgetown. The evidence established that securities held for Claimant's account had a market value of \$11,747.84 on September 25, 1992. On some date subsequent to September 25, 1992, Claimant requested that his account be liquidated and that proceeds of \$11,747.84 be delivered to him. Claimant alleged that he was entitled to \$11,747.84 because such amount was set forth on his account statement for the period June 27, 1992 to September 25, 1992 under the heading "Fixed Income." This designation, according to Claimant, entitled him to the amount set forth on the account statement, notwithstanding any fluctuations in market value following the date of valuation shown on the account statement. Claimant further alleged that First Georgetown failed to execute a sell order on numerous occasions when Claimant told employees of First Georgetown to liquidate his position. Claimant further alleged that employees of First Georgetown intentionally misrepresented the value of the securities in his account by understating their market value during telephone conversations occurring subsequent to September 25, 1992, and that the purpose of such misrepresentation was to cause Claimant to refrain from selling the securities in his account.

Respondent's response: Claimant was only entitled to the market value of the securities in his account on any particular day when he wanted to sell those securities. The designation "Fixed Income" is a generic description of debt securities, not a guarantee of the value shown on the account statement. Claimant sometimes gave a sell order to employees of First Georgetown but he also stated that he wanted to receive \$11,747.84. If the value of Claimant's securities was less than \$11,747.84, First Georgetown could not treat Claimant's instructions as a sell order at the then current market price. Claimant's other allegations were denied.

### RELIEF REQUESTED

Claimant requested: \$1943.28 plus punitive damages in an appropriate amount, as determined by the Arbitrator.

Respondents First Georgetown and NFSC requested: That Claimant's claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents made a Motion to Dismiss. The Motion to Dismiss is denied. The case has been decided on the merits after a full evidentiary hearing.

NFSC did not submit an Answer or a Submission Agreement but it was represented by Mr. Mann. Pursuant to Section 12(a) of the Code of Arbitration Procedure, the Arbitrator exercised jurisdiction over Respondent NFSC and Respondent NFSC is bound by the Award set forth below.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claim is denied, and all other claims asserted by Claimant, including the demand for punitive damages, are denied.

FORUM FEES

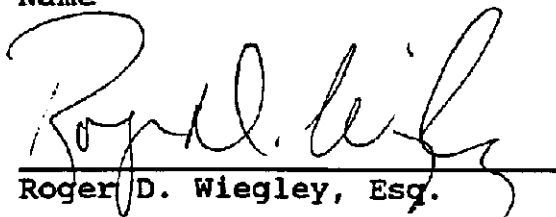
Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees(s) are assessed.

1 session X \$25 = \$25

Forum Fees Assessed Against: Claimant

Fees are payable to the National Association of Securities Dealers, Inc.

Arbitrator's Signature  
Name

  
Roger D. Wiegley, Esq.

Public/Industry

Public

NASD Date of Decision: July 14, 1994