

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Catherine L. Blouin

93-01061

Name of Respondent

Guy W. Trujillo
Economic Consultants, Inc.
Sun America Securities, Inc.

REPRESENTATION

For Claimant at the hearing: Robert R. Biglow, Esq., Minneapolis, Minnesota.

For Respondents Sun America Securities, Inc. and Guy Trujillo at the hearing:
Julie L. Levi, Esq. of Meagher & Geer, Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed: March 18, 1993. Claimant's Submission Agreement signed on: March 6, 1993.

Multiple Statement of Answer filed by Respondents, Guy Trujillo, Economic Consultants, Inc. and Sun America Securities, Inc. on: June 1, 1993.
Respondent, Sun America Securities, Inc.'s Submission Agreement signed on: May 7, 1993. Respondent Guy Trujillo's Submission Agreement signed on: June 1, 1993.

HEARING INFORMATION

Hearing Dates/Sessions: November 4, 1993 for two (2) sessions;
November 5, 1993 for two (2) sessions.

Hearing Location: Minneapolis, Minnesota.

CASE SUMMARY

Claimant Catherine Blouin ("Blouin") alleged that Respondent Sun America Securities, Inc. ("Sun America"), through its representative, Respondent Guy Trujillo ("Trujillo"), and Economic Consultants, Inc. purchased unsuitable securities despite Blouin's request for safety and liquidity. Blouin alleged that Trujillo cashed in her existing investments and purchased the following securities which were unsuitable and highly speculative: Peak Performance (Pacific Standard Life Insurance Company) annuity, Putnam Global Government Income Trust, Commonwealth Equity Trust limited partnership, American Income partners limited partnership, Nationwide Life Insurance Company Best of America IV annuity, and Money Market Plus Tax-Free Portfolio.

Respondents alleged that the investments were designed to meet Blouin's investment objectives while also preserving her desire for some degree of liquidity within her portfolio in case of emergencies. Respondents further alleged that Trujillo discussed the pros and cons of each investment. Respondents alleged that Economic Consultants is not a member of the NASD and does not voluntarily submit to arbitration.

Claimant Blouin, in her response to the Statement of Answer, alleged that she told Trujillo she needed the investments liquid. Blouin also alleged that she did not personally select any of the investments and that Trujillo bought and told her afterward what the purchases were.

RELIEF REQUESTED

Claimant requested damages in the amount of \$118,123.95, attorney's fees in the amount of \$20,000.00 and costs.

Respondents requested that the Statement of Claim be dismissed in its entirety and for such further relief as the panel deems just and equitable.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

At the hearing, counsel for claimant requested to amend the Statement of Claim to add a request for punitive damages. The request to amend the claim was granted.

Respondent Economic Consultants, Inc. is not a member of the NASD, did not voluntarily submit to the jurisdiction of the NASD, and therefore is not a party to this arbitration.

AWARD

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

1. Respondents Sun America Securities, Inc. and Guy Trujillo shall be and hereby are jointly and severally liable for, and shall rescind the following investments to Claimant, Catherine Blouin: Pacific Standard Life Insurance Company, Inc. annuities in the amount of \$42,672.62 and Commonwealth Equity Trust limited partnership in the amount of \$30,000.00. Claimant Blouin shall deliver to Respondents, Sun America Securities, Inc. and Guy Trujillo, any and all title and rights she currently holds in Pacific Standard Life Insurance Company, Inc. and Commonwealth Equity Trust limited partnership;

2. Respondents Sun America Securities, Inc. and Guy Trujillo shall be and hereby are jointly and severally liable for and shall pay interest on the amounts indicated in 1. above (\$42,672.62 and \$30,000.00) at the statutory rate from the date of purchase of the security less any distributions received by claimant;

3. Claimant's request for punitive damages is denied;

4. Claimant's request for attorney's fees is denied;

5. Each of the parties shall bear their own costs and expenses, including attorney's fees, other than those specifically enumerated under Forum Fees below.

FORUM FEES

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

4 sessions X \$750 = \$3000 minus hearing session deposit of \$750 = net \$2250 due.

Forum fees Assessed Against Claimant in the amount of \$750 and against Respondents Sun America Securities, Inc. and Guy Trujillo, jointly and severally, in the amount of \$1500.

Additional Fees assessed by the panel are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel:

Dated:

2-4-94

s/s Arthur L. Sirkin, Esq.
Arthur L. Sirkin, Esq.
Presiding, Public Arbitrator

2-4-94

s/s David R. Bergerson, Esq.
David R. Bergerson, Esq.
Public Arbitrator

2-4-94

s/s Annette W. Minor, Esq.
Annette W. Minor, Esq.
Industry Arbitrator

Date Award Served By The NASD: 3-21-94