

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Ronald A. King, Sr. and Virginia L. King

vs.

Case #  
93-01163

Name of Respondent

Irwin W. Epstein

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**REPRESENTATION**

Claimants Ronald A. King, Sr. and Virginia L. King ("Claimants") represented themselves.

Respondent Irwin W. Epstein ("Epstein") represented himself.

**CASE INFORMATION**

Statement of Claim filed: March 22, 1993.

Claimants' Submission Agreement signed on: March 17, 1993.

Statement of Answer filed by Respondent on: April 20, 1993.

Respondent's Submission Agreement signed on: April 20, 1993.

**HEARING INFORMATION**

Hearing Date/Session:

August 3, 1993/one session.

Hearing Location:

NASD offices located in New York, New York.

**CASE SUMMARY**

Claimants alleged that on August 13, 1991, they purchased \$50,000.00 in shares of SunAmerica U.S. Government Securities Fund ("Fund") based on Respondent's representation that the Fund had "no sales fee" and a high rate of return. Claimants alleged they were charged deferred sales charges upon redeeming their shares on September 4, 1992.

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Respondent maintained he recommended the Fund in response to Claimants' stated goal of higher yield in a safe investment; that he explained to Claimants the Fund did not have any front-end sales charges, but did have a contingent deferred surrender charge ("CDSC") over a five (5) year period; that he ascertained Claimants were financially qualified for the investment; and that he provided Claimants with an application and a prospectus (which discussed the redemption procedures and the CDSC). Respondent contended he believed Mr. King fully understood the nature of the investment, the inherent risk of a securities investment and the CDSC.

#### **RELIEF REQUESTED**

Claimants requested actual damages in the amount of \$1,977.44, plus interest from September 4, 1992.

Respondent requested dismissal of the claims.

#### **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. Claimants' claims against Respondent are hereby dismissed, with prejudice;
2. All other claims are dismissed;
3. Each party shall bear its respective costs.

#### **FORUM FEES**

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$25.00 non-refundable filing fee previously deposited by Claimants and the following Forum Fees are assessed:

1 session X \$25.00 = \$25.00 minus hearing session deposit of \$25.00 = net \$0.00 due.

Forum Fees Assessed Against:

Claimants are hereby liable, jointly and severally, in the amount of \$25.00. However, in lieu of further payment, the NASD shall retain the \$25.00 hearing session deposit

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previously deposited by Claimants in satisfaction of the amounts due.

Arbitrator's Signature

A handwritten signature in cursive script, appearing to read "David N. Brainin".

David N. Brainin/Public Arbitrator

Date of Decision: August 17, 1993

STATE OF *New York*

COUNTY OF *New York*

On this *12* day of *August*, 1993, before me personally appeared David N. Brainin known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that ~~she~~he executed the same.

CAROLYN Z. SLOVIS  
Notary Public, State of New York  
No. 4985075  
Qualified in New York County  
Term Expires August 5, 1993

