

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

John Martin

93-01188

Name of Respondents

Quick and Reilly, Inc.
Chris Chester

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 26, 1993, Claimant John Martin, who appeared Pro Se, alleged that on August 2, 1992 he spoke with Respondent Chris Chester, registered representative of Respondent Quick & Reilly, Inc. requesting information about investing \$100,000.00 in "a very safe and secure" investment for a period of approximately 2 or 3 years whereby Respondent Chris Chester advised him to buy Alliance Global Bond Fund because it was rated triple A to Double A, and a short term fund of 5 years, at which time, Respondent Chris Chester stated that the fund was very safe and would only vary pennies, and it had been this way for the past 20 years. Claimant further alleged that within one months time, he had lost \$6,500.00 in value and in order not to lose any more money, Claimant was advised to switch into U.S. Government Bond Fund whereby the U.S. Government Bond Fund lost \$2,000.00 and in order to get out of this fund it would cost 3% or \$3,000.00, which would bring the total loss to \$11,500.00. Claimant contended that he had made it very clear to Respondent Chris Chester that he was looking for a "very safe investment", thus, Respondent Chris Chester misrepresented and lied about the investments in order to make the sale and Respondent Quick & Reilly, Inc.'s failure to supervise, caused him to incur losses.

Respondents Quick & Reilly, Inc. and Chris Chester, by and through Nicholas J. Chohey, Director of Arbitration, maintained that in late July of 1992, Claimant John Martin contacted Respondent's Stamford office to inform them that he was looking for "an income producing investment" for \$100,000.00 whereby Claimant stated that he did not want tax-free income, at which time, Claimant never mentioned any time frame. Respondents further maintained that bearing these facts in mind, Respondent Chris Chester stated that the Alliance Multi Market

Strategy Trust might be an investment the Claimant would want to consider whereby Respondent Chris Chester then explained that the Trust's stated objectives were to return a higher yield than short term rates and maintain a relatively stable Net Asset Value. Respondents contended that the Claimant was then informed that the Trust carried a back end reducing redemption charge starting at 3% for shares redeemed during the first year, then reducing by 1% for each year that the shares are held at which time, Respondent Chris Chester sent a copy of the prospectus to the Claimant and after examining the prospectus, Claimant placed an order to purchase the Trust. Respondents further contended that the Claimant's stated primary objective was an income producing investment and all information provided to the Claimant was obtained from the Trust's prospectus and at all times, Respondent Chris Chester was dealing in good faith by providing the Claimant with historical facts with which he could make his investment decision whereby Respondents deny that Respondent Chris Chester "lied about its safety, in order to make this sale". Respondents asserted that the investment was never represented as risk free and when the Claimant made his investment decision, such risk was a possibility that was offset by the reward of a higher than average yield. Respondents further asserted that the loss claimed by Claimant did not occur and in fact, the Claimant has now passed his breakeven point whereby Claimant has undeniably made money from this transaction, thus, the claim should be dismissed.

RELIEF REQUESTED

Claimant John Martin requested \$10,000.00 in actual damages.

Respondents Quick & Reilly, Inc. and Chris Chester requested the claim be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Arnold Limsky, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 23, 1993, by the Respondent Quick & Reilly, Inc. on May 17, 1993 and by the Respondent Chris Chester on May 12, 1993.

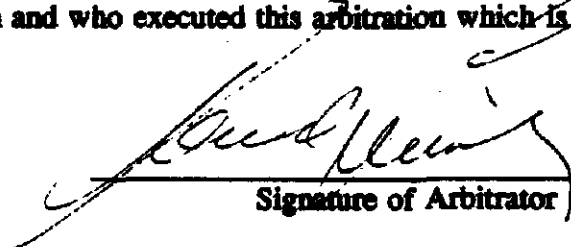
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claim of Claimant John Martin against Respondents Quick & Reilly, Inc. and Chris Chester is 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 Claimant John Martin shall be retained by the NASD, Inc. Respondents Quick & Reilly, Inc. and Chris Chester are jointly and severally liable and shall pay to the Claimant the sum of \$150.00, as reimbursement.

AFFIRMATION

I, **ARNOLD LIMSKY**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this arbitration which is my oath and award.



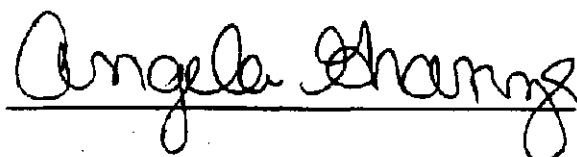
Signature of Arbitrator

DATE OF DECISION: July 29, 1993

STATE OF: New Jersey
ss:

COUNTY OF: monmouth

On this 26th day of July 1993, before me personally appeared Arnold Limsky to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



ANGELA GRANZA

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 22, 1995