

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Maynard B. and Shirley A. Stevenson

93-01251

Name of Respondents

Kidder, Peabody & Co., Inc.  
Andrew C. Anagnostou

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 30, 1993, Claimants Maynard & Shirley Stevenson, who appeared Pro Se, alleged that Respondent Kidder, Peabody & Co., Inc., through its registered representative, Respondent Andrew C. Anagnostou, made an unsuitable recommendation to them to purchase Palmdale Calif. Improvement Bond, and that not only was this investment unsuitable and not in accordance with their investment needs, but they did not receive a prospectus until after the settlement date. The Claimants contended that if they had the opportunity to review the prospectus, they would not have invested in this security, and they had to sell the investment at a loss in order to minimize their loss. The Claimants contended further that they have suffered this loss due to the Respondents' wrongdoing, and should therefore, be compensated.

Respondents Kidder, Peabody & Co., Inc. and Andrew C. Anagnostou, through their in-house counsel, William H. Phelps, Esq., maintained that a prospectus was mailed to the Claimants as soon as it could be printed and distributed, only two days following the settlement date. The Respondents further maintained that this investment clearly fit their investment objectives and the Respondents acted at all times in the best interest of the Claimants. The Respondents contended that Claimants Maynard and Shirley Stevenson essentially lost no money at all, since the small loss in principal they experienced was completely offset by income they earned while they held the investment. The Respondents further contended that because the Claimants have failed to meet their burden of proof, they should not be held liable in this matter.

**RELIEF REQUESTED**

Claimants Maynard B. & Shirley A. Stevenson requested \$1,155.00 in actual damages, plus return of the NASD filing fee.

Respondents Kidder, Peabody & Co., Inc. and Andrew C. Anagnostou requested that the claims of the Claimants be dismissed.

**AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Thomas J. LoSavio, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on March 23, 1993, by the Respondent Kidder, Peabody & Co., Inc. and by the Respondent Andrew C. Anagnostou on June 24, 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. Respondents Kidder, Peabody & Co., Inc. and Andrew C. Anagnostou are jointly and severally liable and shall pay to the Claimants Maynard B. & Shirley A. Stevenson \$1,155.00 in actual damages, plus simple interest at the rate of 10% per annum from September 27, 1990 to the date of payment of the award.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. Respondents Kidder, Peabody & Co., Inc. and Andrew C. Anagnostou are jointly and severally liable and shall pay \$50.00 to the Claimants as reimbursement of the filing fee.

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**AFFIRMATION**

I, **THOMAS J. LoSAVIO, ESQ.**, 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.

A handwritten signature in cursive script, appearing to read "Thomas J. LoSavio", is written over a horizontal line.

Signature of Arbitrator

**DATE OF DECISION:**      October 22, 1993