

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Claramae R. Jones

93-01334

Name of Respondent

Corporate Securities Group, Inc.

REPRESENTATION

For Claimant, Claramae R. Jones ("Jones"): Philip J. Snyderburn, Esq. of Snyderburn, Rishoi & Swann, Winterpark, Florida.

For Respondent, Corporate Securities Group, Inc. ("CSG"): Gregory Tendrich, Esq. of Corporate Securities Group, Inc., Boca Raton, Florida.

CASE INFORMATION

Statement of Claim filed: 4/2/93.

Claimant's Submission Agreement signed on: 3/11/93.

Statement of Answer filed by Respondent on: 7/16/93.

Respondent's Submission Agreement/Corporate Acknowledgment signed on: 7/16/93.

HEARING INFORMATION

Hearing Date/Sessions: 4/20/94-two sessions.

Hearing Location: Tampa, Florida.

CASE SUMMARY

Claimant alleged that she is an unsophisticated investor and that Respondent, through its employee, induced her to transfer her accounts to CSG and that thereafter Respondent commenced trading in highly speculative securities such as INNOVET (for which Claimant alleged CSG was the market maker), Filtertek, Clearly Canadian Beverage and Timberland Co.-CL. Claimant alleged that Respondent's actions constituted the following violations: misrepresentation and omission of material facts; failure to supervise; securities fraud; fraudulent inducement; breach of fiduciary duty; negligence and breach of contract.

Respondent denied all allegations of wrongdoing and maintained that Claimant portrayed herself as a sophisticated investor with substantial brokerage accounts and that she indicated that she had significant income and net worth to absorb losses in speculative stocks, that she informed Respondent that her investment objectives included growth and speculation. Respondent further maintained that Claimant was fully advised of all risks associated with the investments at issue and was fully advised of all relevant and pertinent financial information with respect to her purchase.

RELIEF REQUESTED

Claimant requested compensatory damages and punitive damages pursuant to Section 768.72, Fla. Stat.

Respondent requested dismissal of the Claim and an award of attorneys' fees and costs associated in pursuing this matter.

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.

AWARD

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

1. Respondent, CSG, is found liable and shall pay to Claimant the amount of \$18,000.00.
2. Claimant's request for punitive damages is hereby denied.
3. Respondent's request for attorneys' fees and costs is hereby denied.
4. All other claims are hereby denied.

OTHER COSTS

The parties shall each bear their own costs and expenses incurred in connection with this proceeding.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the Panel has assessed Forum Fees in the amount of \$1,200.00 (two hearing sessions X \$600.00).

1. Claimant is hereby assessed forum fees in the amount of \$600.00 for which the NASD shall retain the \$600.00 previously deposited in full satisfaction thereof.
2. Respondent, CSG, is hereby assessed forum fees in the amount of \$600.00 payable to the NASD, Inc.
3. The NASD shall retain the non-refundable filing fee of \$250.00 paid by the Claimant.

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

Concurring Arbitrators' Signatures

| Name | Public/Industry |
|------------------------------------|-------------------|
| /s/ | |
| _____ George S. Coit, Jr., Esq. | Public/Chairman |
| /s/ | |
| _____ Jean M. Lang | Public/Panelist |
| /s/ | |
| _____ Joseph I. Amonette | Industry/Panelist |

Date of Decision: June 8, 1994