

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Sara Devine

93-02058

Name of Respondent

Kidder, Peabody & Co., Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 24, 1993, Claimant Sara Devine, who appeared Pro Se, alleged that Respondent Kidder, Peabody & Co., Inc., through its former broker, Tim Sheehan, misled her into believing her investment in Silver Glance stock was a good investment with excellent potential, and that due to his representations, she took a loan out to buy additional shares of the stock which had changed its name to Silverspar Minerals Ltd. The Claimant further alleged that upon receipt of her transaction slips for the new purchases, she noted that the value of the stock had dropped; the value continued to drop, and eventually Mr. Sheehan would no longer return her calls or keep her apprised of this investment. Claimant Sara Devine contended that the broker then left the firm and the stock continued to drop, causing her to sell the shares at a loss for which the Respondent should be held liable.

Respondent Kidder, Peabody & Co., Inc., through its counsel, Bradley Schram, Esq. of Hertz, Schram & Saretsky, P.C., Bloomfield Hills, MI, maintained that its former broker, Tim Sheehan, fully explained the risks and rewards of investment in Silverspar and provided all available information to her, and that had she followed his advice and held the shares, her position would have significantly increased in value. The Respondent further maintained, in an amendment to the answer, that the Claimant's decision to invest was premised upon her relationship and discussions with a friend, Mr. Kempston, and that Sheehan merely served as a conduit to provide information and ultimately execute the transactions sought by the Claimant. Respondent Kidder, Peabody & Co., Inc. contended that it cannot be held liable for the Claimant's individual investment decisions and market fluctuations, and therefore this claim should be dismissed.

In a reply to the Answer, the Claimant refuted the defenses utilized by the Respondent and again requested she be compensated for the loss she has incurred.

RELIEF REQUESTED

Claimant Sara Devine requested \$6,612.74 in actual damages.

Respondent Kidder, Peabody & Co., Inc. requested that the claims of the Claimant be dismissed.

AWARD

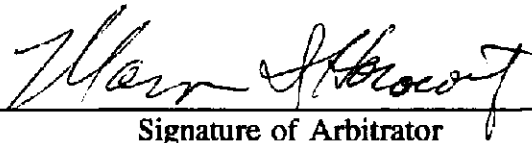
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Marvin I. Horowitz, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 16, 1993 and by the Respondent on November 11, 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 claims of the Claimant Sara Devine against Respondent Kidder, Peabody & Co., Inc. are dismissed in their entirety.
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 shall be retained by the NASD, Inc.

AFFIRMATION

I, MARVIN I. HOROWITZ, 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 "Marvin I. Horowitz", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: February 24, 1994