

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Robert P. and Shirley L. Moehring

93-02288

Name of Respondent

Adams Securities, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 9, 1993, Claimants Robert P. and Shirley L. Moehring, who appeared Pro Se, alleged that they had a stock account with a company called Respondent Adams Securities, Inc. whereby they had purchased a stock, from them, which was going fairly well, when the salesperson with whom they were dealing left the company at which time their account was taken over by Mr. Carlton Hayden who urged them to sell their original stock, "Compumed", and buy a stock in a company called Kentana Development. Claimants further contended that they agreed to sell half of their holdings in Compumed, 2700 shares, and purchase 6500 shares of Kentana Development, Inc. for a purchase price of \$1,437.38. Claimants contended that fourteen days later, Mr. Hayden took it upon himself to purchase an additional 1,200 shares of Kentana Development, Inc. without their knowledge or consent at which time Claimants called Mr. Hayden to complain whereby he had no explanation, nor any apologies. Claimants further contended that they then wrote two letters to Respondent to voice their complaint in writing whereby they received no response from either letter. Claimants asserted that since that time Kentana Development, Inc. has had a reverse split of 200:1 resulting in 38 shares of Kentana Development, Inc. and was then acquired by a company called Silicon Disk Corp. for which they received 152 shares of Silicon Disk in exchange for their 38 shares of Kentana. Claimants further asserted that Silicon Disk, in turn, was acquired by a company called Canadian Piper Air for which they received 5 shares of Canadian Piper which presently has a total value of about \$0.16 whereby Claimants were informed that Respondent had gone out of business and that all of their accounts had been transferred to a company called Washington Investment Corporation. Claimants further alleged that Respondent's inappropriate handling of their account caused them to incur losses.

Respondent Adams Securities, Inc. failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimants Robert P. and Shirley L. Moehring requested the sum of \$1,715.38 in actual damages.

Respondent Adams Securities, Inc. failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent Adams Securities, Inc. was served a copy of the Statement of Claim by regular mail on September 9, 1993 and given an opportunity to respond, which they failed to do.

Pursuant to the By-Laws of the NASD the arbitrator determined that service was not effected on Respondent Adams Securities, Inc.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David Fogel, 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 May 28, 1993 and not by the Respondent as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

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 Claimants Robert P. and Shirley L. Moehring against Respondent Adams Securities, Inc. is dismissed without prejudice.
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 Robert P. and Shirley L. Moehring shall be retained by the NASD, Inc.

AFFIRMATION

I, **DAVID FOGEL, 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.

David Fogel

DATE OF DECISION: February 18, 1994

STATE OF: New York

SS:

COUNTY OF: Kings

On this 10th day of February 1994, before me personally appeared **DAVID FOGEL, ESQ.** 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.

HERBERT SCHONHAUT
Notary Public, State of New York
No. 01SC 4739593
Qualified in Queens County
Commission Expires Nov. 30, 1995

Herbert Schonhaut