

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant

Rose Ellen Chambers

NASD Arbitration  
No 93-02325

Name of Respondent

Clyde Bruff

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REPRESENTATION

For Claimants: M. Eric Olmstead, Esq. - Wendel, Rosen Black Dean & Levitan - Oakland, California

For Respondent: Walter L. Baumgardner, Esq. - Musilli, Baumgardner, Wagner & Parnell - St. Clair Shores, Michigan

CASE INFORMATION

Statement of Claim filed: June 11, 1993

Claimants' Submission Agreement signed: May 18, 1993

Statement of Answer filed by Respondent: September 27, 1993

Respondents' Submission Agreement signed: September 20, 1993

HEARING INFORMATION

Hearing Dates / Sessions: April 14, 1994 - Two Sessions  
April 15, 1994 - One Session

Hearing Location: San Francisco, California

### CASE SUMMARY

Claimant, Rose Ellen Chambers, alleged that Respondent Clyde Bruff, while employed by Portfolio Asset Management/USA Financial Group, Inc., used the proceeds of her fire insurance policy to benefit himself and his company. Through in appropriate trading Claimant also alleged that the trading activity in her account was indiscriminate and concerned "high risk" securities which we unsuitable in light of the Claimant's investment objectives and needs.

Respondent, Clyde Bruff, denied each and every allegation of the claim.

### RELIEF REQUESTED

Claimant seeks to recover \$130,000.00, loss of earnings, interest, punitive damages, costs and attorneys' fees.

Respondent seeks dismissal of the claim in its entirety plus attorneys' fees.

### OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the NASD was served a stay order from the Securities Investor Protection Corporation relating to an action commenced against respondent, Portfolio Asset Management/USA Financial Group, Inc. (PAM/USA). PAM/USA has a current case in the United States Bankruptcy Court for the Western District of Texas, El Paso Division. Claims relating to PAM/USA were withdrawn without prejudice.

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 original remains on file with the NASD.

### AWARD

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

1. Respondent, Clyde Bruff, is liable and shall pay to Claimant, Rose Ellen Chambers, the sum of One Hundred Twenty Six Thousand, Four Hundred Nineteen Dollars and No Cents. (\$126,419.00).
2. Claimants claim for interest is denied.
3. Claimants claim for punitive damages is denied.

4: The parties shall each bear their respective costs and fees.

### FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure,

Claimant, Rose E. Chambers, is assessed the sum of \$375.00 representing one-half of the total fees of \$2,250.00 (three sessions at \$750.00 each) less credit for deposits of \$750.00.

Respondent, Clyde Bruff, is assessed the sum of \$1,125.00 representing one-half of the total fees assessed.

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

### ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Chet Olsen	Public
Frank Weaver	Industry
Theodore F. Schmidt	Public

### Concurring Arbitrators' Signatures



Chet Olsen

Frank Weaver

Theodore F. Schmidt

Date of Decision:

Date Served: 05/12/94