

**NATIONAL ASSOCIATION OF SECURITIES DEALERS  
AWARD**

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In the Matter of the Arbitration Between

JOHN M. WEAVER.

Claimant.

v.

NASD No. 93-2889

ATLANTA-ONE, INC.,

Respondent.

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***Representation***

For Claimant: Jules Federman of Investors Rights Association and Dennis Merenbach. Esq.,  
Santa Barbara, CA

For Respondent: Thomas Blodgett, Esq. of Atlanta-One, Inc.. Irvine, CA

***Case Information***

Statement of Claim filed: July 16, 1993

Claimant's Submission Agreement signed: November 20, 1992

Statement of Answer filed on: October 5, 1993

Respondent's Submission Agreement signed on: October 7, 1993

***Hearing Information***

Prehearing Conference Date(s)/Sessions: May 24, 1994/one

Hearing Date/Sessions: May 31, 1994/two, June 10, 1994/two

Hearing Location: Los Angeles, CA

### *Case Summary*

Claimant alleged:

Fraud and deceit, breach of fiduciary duties, lack of suitability, negligence, breach of contract, negligent supervision, violations of the National Association of Securities Dealers Rules of Fair Practice and New York Stock Exchange in the sale of options on foreign currencies and a limited partnership. Claimant was a conservative investor who was contacted by Respondent Atlanta-One, Inc. (AOI) to invest in foreign currency options. Weaver was totally unfamiliar with currency options and only agreed to invest because his broker told him he was an expert in the field. Claimant was pressured into purchasing the investment; the purchase of the limited partnership was made to try and recoup his original loss on the currency options.

Respondent alleged:

Claimant is a certified public accountant with a degree in accounting. He own his own accounting firm and has been in the business of advising others for over 30 years.. He reviewed the Option Disclosure Documents before he invested and he signed the account agreement on the date of his first purchase. Furthermore, Weaver is not a conservative investor. He has invested \$30,000 in real estate limited partnerships in 1980 and \$38,000 in oil drilling in 1990.

Claimant did not lose his investment in the limited partnership as he has been paid each and every payment that became due. Claimant was informed that he was investing in a risk market and Respondent never promised or guaranteed any return.

### *Relief Requested*

Claimant requested:

1. Rescission of all investment interests;
2. Compensatory damages in the amount of \$48,565;
3. Pre-award and post-award interest from the date of the original investments;
4. Costs, including attorneys' fees;
5. Punitive damages.

### *Other Issues Considered and 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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable and shall pay claimant \$2,500. in compensatory damages;
2. All other claims, including the claim for punitive damages, are dismissed;
3. The parties shall each bear their respective attorney's fees;
4. The parties shall each bear their respective costs

#### ***Other Costs***

None.

#### ***Forum Fees***

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall retain the \$400 hearing session deposit previously paid by the claimant. Forum fees are assessed against:

Respondent for \$1,500.

calculated as follows: one prehearing sessions at \$300/prehearing session, plus four hearing sessions at \$400/hearing session, equals \$1,900.

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

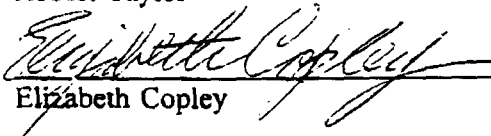
#### ***Arbitration Panel***

<b><i>Name</i></b>	<b><i>Public/Industry</i></b>
Ed Gartenberg, Esq.	Public
Robert Taylor	Industry
Elizabeth Copley	Public

*Concurring Arbitrators' Signatures*

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Ed Gartenberg

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Robert Taylor

  
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Elizabeth Copley

*Date of Decision:* 6/10/94