

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Arnold H. Kagan

93-02905

Name of Respondent

A.F. Best Securities, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 27, 1993, Claimant Arnold H. Kagan, who appeared Pro Se, alleged that Respondent A.F. Best Securities, Inc., through its representative Marie Lombardo, misrepresented the taxable nature of Duval County Florida HFA Clairbourne Apartments bond, stating that this was a tax free bond, when in fact, as he later discovered, this was a taxable bond for which he was required to pay additional taxes. The Claimant contended that the Respondent sold him a product that was not what they said it was, and therefore, he should be compensated for damages he suffered.

Respondent A.F. Best Securities, Inc., through its representative, Arnold Roseman, Compliance Officer, maintained that it represented the facts concerning the tax free status as they knew them at the time of the sale, and the securities clearly met the Claimants investment objectives. The Respondent further maintained the it should not be held liable for errors or omissions of the issuer and/or the underwriters, nor for the reaction of the IRS declaring interest taxable to bond holders five years after the sale to actions of the issuer long after the date of sale to the Claimant.

RELIEF REQUESTED

Claimant Arnold H. Kagan requested \$2,901.25 in actual damages.

Respondent A.F. Best Securities, Inc. requested that the claims of the Claimant be dismissed.

AWARD

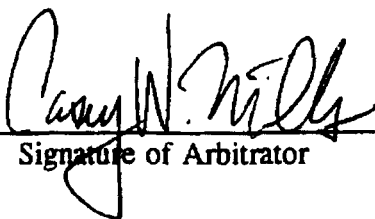
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Casey W. Mills, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 23, 1993 and by the Respondent on September 28, 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. Respondent A.F. Best Securities, Inc. is liable and shall pay to the Claimant Arnold H. Kagan \$2,544.15 in actual damages.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent A.F. Best Securities, Inc. is liable and shall pay \$125.00 to the Claimant as reimbursement of the filing fee.

AFFIRMATION

I, CASEY W. MILLS, 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.



Signature of Arbitrator

DATE OF DECISION: January 18, 1994