

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Matthew Wick

NASD Arbitration
No. 93-02949

Name of Respondent(s)

IDS Financial Services, Inc.
Cari Lyn Stanton

REPRESENTATION

For Claimant: Peter S. Myers, Esq., Fritz & Myers, San Francisco, California

For Respondents: Gary R. Irwin, Esq., IDS Financial Corporation, Minneapolis, Minnesota

CASE INFORMATION

Statement of Claim filed: July 27, 1993

Claimant's Submission Agreement signed: July 26, 1993

Joint Statement of Answer filed by Respondents: October 21, 1993

Respondents' Submission Agreements signed as follows:

IDS Financial Services, Inc.: October 19, 1993

Cari Lyn Stanton: September 17, 1993

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): April 8, 1994 (three sessions)

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant alleged that Respondents provided him misleading, incorrect and/or fraudulent investment information with respect to Claimant's purchase of IDS Financial Services, Inc. (IDS) mutual stock funds. Claimant also submitted the following issues: 1) Were

Respondents Cari Lyn Stanton (Stanton) and IDS negligent in recommending the transaction in dispute? and 2) Was IDS negligent in failing to cancel the transaction when it learned Claimant was misled?

Respondents denied Claimant's allegations of wrongdoing and alleged that they provided Claimant with good service at minimal cost. The following issues were also submitted by Respondents: 1) Did IDS and/or Ms. Stanton breach a fiduciary duty to Claimant by failing to advise Claimant to follow the tax avoidance/stock margining plan(s) advocated by Claimant's experts? 2) Did IDS and/or Ms. Stanton breach a duty of care to Claimant by failing to advise Claimant to follow the tax avoidance/stock margining plan(s) advocated by Claimant's experts? and 3) Did Ms. Stanton and/or IDS make a material misrepresentation to Claimant on which Claimant reasonably relied in selling his second allocation of stock?

RELIEF REQUESTED

Claimant requested the following damages of approximately \$32,730.07 to \$36,730.07:

1. Tax liability - IRS \$19,099.08;
2. Tax liability - California \$ 6,138.99;
3. Penalties - IRS - \$ 555.00;
4. Transaction Costs - \$ 937.00; and
5. Difference between the portfolio value of securities sold in July 1992 versus the present value - \$6,000.00 to \$10,000.00.

In addition, Claimant requested prejudgment interest on the liquidated amount, attorneys' and accountants' fees and costs, and any further available relief which the arbitrators deem proper.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 National Association of Securities Dealers, Inc. (NASD).

AWARD

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

1. All claims by Claimant are dismissed.

2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain the \$400.00 hearing session deposit previously paid by the Claimant. Forum fees are to be split between the parties and are calculated as follows:

Three hearing sessions @ \$400.00/session	=	\$1,200.00
Total fees assessed	=	\$1,200.00
Claimant's share (50%)	=	\$ 600.00
Credit for hearing deposit	=	\$ 400.00
Balance due	=	\$ 200.00
Respondents' share, jointly and severally (50%)	=	\$ 600.00
Balance due	=	\$ 600.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Alfred P. Knoll, Esq.	Public Arbitrator
Catherine C. Harris, Esq.	Public Arbitrator
Robert Fisher	Industry Arbitrator

Concurring Arbitrators' Signatures

Alfred P. Knoll, Esq.

Catherine C. Harris, Esq.



Robert Fisher

Date of Decision: _____

Date Served: 06/03/94