

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Cheyenne VAF Federal Credit Union

93-04169

Name of Respondent

Marion Bass Securities Corp.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 11, 1993, Claimant Cheyenne VAF Federal Credit Union, through its outside counsel, Michael Reese, Esq. of Wiederspahn, Lummis & Liepas, P.C., Cheyenne, NY, alleged that Respondent Marion Bass Securities Corp. failed to disclose to the Claimant that the issuer of a \$100,000 Zero Coupon Bond it had purchased was Philadelphia Savings Fund Society a/k/a Meritor Savings Bank, which was not suitable for the Claimant. The Claimant further maintained that although the Bond was liquidated, it was sold at a lesser price than the purchase price, and that therefore, the Respondent should be held liable for the difference.

Respondent Marion Bass Securities Corp., through its in-house Representative, Gerald P. Chandik, Chief Compliance Officer, Charlotte, NC, maintained that it at all times represented the \$100,000 Zero Coupon Certificate of Deposit was, in fact, Philadelphia Savings Fund Society, and that what has occurred is a lack of awareness on the part of the Claimant, since the trade could have been cancelled prior to settlement date had the Claimant carefully reviewed the wire instructions faxed to it. The Respondent further maintained that it made every attempt to assist the Claimant in selling the CD, but it never received the order, and because the account was not discretionary, no order could be placed until specifically requested by the Claimant.

In a response to the Statement of Answer, Claimant Cheyenne VAF Federal Credit Union reiterated and reaffirmed the allegations of its claim and refuted the defenses of the Respondent.

RELIEF REQUESTED

Claimant Cheyenne VAF Federal Credit Union requested \$5,647.39 in actual damages, plus costs, attorney's fees and lost interest.

Respondent Marion Bass Securities Corp. requested that the claims of the Claimant be dismissed.

AWARD

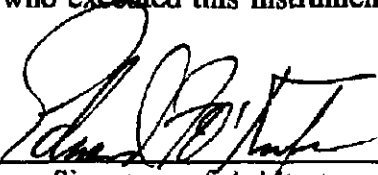
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitration, Edward F. O'Keefe, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 5, 1993 and by the Respondent on January 10, 1994.

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 claims of the Claimant Cheyenne VAF Federal Credit Union against Respondent Marion Bass Securities Corp. are dismissed in their entirety.
2. The Claimant's request for interest is denied.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, EDWARD O'KEEFE, 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.



Signature of Arbitrator

DATE OF DECISION: July 8, 1994