

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Karl Richter

93-04355

Name of Respondent

Coastal Securities, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 21, 1993, Claimant Karl Richter, who appeared Pro Se, alleged that Respondent Coastal Securities, Inc. did not properly handle his account. Claimant further alleged that he was lured to open an account with Respondent by his account executive, Mike Ward ("Ward"). Claimant contended that Ward failed to follow his instructions to purchase DAF bonds. Claimant further contended that Respondent transferred the wrong amount of funds from his account on August 2, 1993, and then overcharged him for the transfer. Claimant alleged that Ward promised him that the commission on the purchase of DAF bonds would be between 1/2 and 1% and that he was overcharged \$1,199.20 in commissions. Claimant further alleged that Respondent erroneously charged him a commission to transfer his DAF bonds to him in August of 1993 and that Respondent should be held liable for his losses.

Respondent Coastal Securities, Inc., through it's representative, Joan L. Lavell, Houston, TX., maintained that Claimant contacted it and requested the opening of an account to buy bonds. Respondent further maintained that Ward attempted to follow Claimant's request to purchase the DAF bonds. Respondent contended that Claimant asked for a transfer of \$110,000.00 from his account, which did not include the \$1,099.00 which he now claims should have been included in the transfer. Respondent further contended that it does not owe Claimant a refund of transfer fees and did not overcharge Claimant for commissions, and accordingly, should not be held liable.

RELIEF REQUESTED

Claimant Karl Richter, requested \$1,118.00 in actual damages.

Respondent Coastal Securities, Inc., requested that the claims of the Claimant be dismissed.

AWARD

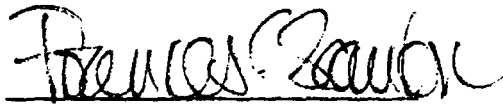
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Frances E. Scanlon, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 8, 1994 and by the Respondent on April 25, 1994.

And, the Arbitrator, having consider 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 Claimant Karl Richter, against the Respondent Coastal Securities, Inc., are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc., by the Claimant Karl Richter, shall be retained by the NASD, Inc. Respondent Coastal Securities, Inc. is liable and shall pay to the Claimant \$50.00 as reimbursement of the filing fee.

AFFIRMATION

I, FRANCES E. SCANLON, 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.


Frances E. Scanlon, Esq.

DATE OF DECISION: June 21, 1995

STATE OF NY ss.:

COUNTY OF NY

On this 2 day of June 1995, before me personally appeared Francis S. Smith to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Deborah A. DeJesus

DEBORAH A. DEJESUS
Notary Public, State of New York
No. 02DE5022979
Qualified in New York County
Commission Expires January 24, 1996