

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Iowa State Bank, West Bend

93-04373

Name of Respondents

Van Kampen Merrit, Inc.
Richard Olson
David Johnson

REPRESENTATION

Claimant Iowa State Bank, West Bend ("Iowa State Bank") was represented by Brent R. Appel of Dickinson, Throckmorton, Parker & Mannheim, Des Moines, Iowa.

Respondents Van Kampen Merritt Inc. ("Van Kampen"), Richard Olson ("Olson"), and David Johnson ("Johnson") were represented by Steven H. Hoeft of McDermott, Will & Emery, Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on October 21, 1993. An Amendment to the Statement of Claim was filed by Iowa State Bank on February 21, 1994. Claimant's Submission Agreement was signed on October 19, 1993.

The Joint Statement of Answer was filed by Respondents on December 6, 1993. Submission Agreement of Respondent Olson was signed on November 29, 1993. Submission Agreement of Respondent Van Kampen was signed on December 1, 1993. Submission Agreement of Respondent Johnson was signed on December 3, 1993.

HEARING INFORMATION

The hearing was held on August 16, 1994 for two sessions in Chicago, Illinois, for a total of two sessions.

CASE SUMMARY

Claimant Iowa State Bank alleged that Respondents Van Kampen, Olson, and Johnson breached their fiduciary duty to Iowa State Bank by recommending unsuitable securities, Indian Belt Partnership Bonds, and by making misrepresentations and material omissions.

Respondents Van Kampen, Olson and Johnson denied acting as a fiduciary and denied each and every allegation of wrongdoing contained in the Statement of Claim. Respondents claimed the securities were suitable and that no misrepresentations or material omissions were made to Iowa State Bank.

Respondents also offered the following affirmative defenses:

1. The Statement of Claim is time-barred.
2. Respondents did not cause any losses suffered by Iowa State Bank.
3. Iowa State Bank assumed the risk of loss when it purchased the Bonds.
4. Iowa State Bank has incurred no loss.
5. Iowa State Bank is precluded from asserting its claim due to waiver and estoppel.

RELIEF REQUESTED

Iowa State Bank seeks rescission of the transaction and a return of its two investments of \$202,133.33 and \$52,016.67. Iowa State Bank also seeks an award of punitive damages and an amount covering reasonable costs and attorneys fees.

Van Kampen, Olson and Johnson request that the Statement of Claim be denied, and that Iowa State Bank be liable for costs and attorneys fees.

OTHER ISSUES CONSIDERED & 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, 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. The Statement of Claim is denied in its entirety and the Respondents are hereby dismissed;
2. Each of the parties shall bear their own costs and expenses incurred, other than those specifically enumerated for herein.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$200.00 and shall retain as forum fees the hearing session deposit in the amount of \$750.00 previously deposited with the NASD by the Claimant.

Forum fees are calculated at the rate of \$750.00 per hearing session x two sessions = \$1500 minus \$750 hearing session deposit = net \$750 due.

The Panel has ordered that Respondents, jointly and severally, pay additional forum fees to the NASD in the amount of \$750. Fees are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel

Name	Date
s/s Jay A. Canel, Esq.	11-21-94
_____ Jay A. Canel, Esq. Public Arbitrator, Presiding Chair	_____
s/s Larry Carlson, Esq.	11-21-94
_____ Larry Carlson, Esq. Public Arbitrator	_____
s/s Kelley Beach	11-25-94
_____ Kelley Beach Industry Arbitrator	_____

Date Award Served By The NASD: 12-2-94