

**NATIONAL ASSOCIATION OF SECURITIES DEALERS  
AWARD**

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In the Matter of the Arbitration Between

PATRICIA ANDERSON,

Claimant,

v.

NASD No. 93-4411

KEMPER SECURITIES, INC., DAN MURPHY,  
DOES 1 AND 2,

Respondents.

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***Representation***

For Claimant: Douglas Martin, Esq., San Francisco, California

For Respondent: Renan Sugarman, Esq. of Kemper Securities, Chicago, Illinois

***Case Information***

Statement of Claim filed: October 20, 1993

Claimant's Submission Agreement signed: October 20, 1993

Statement of Answer filed on: October 20, 1993

Respondent's Submission Agreement signed on: Kemper Securities - February 22, 1994; Dan  
Murphy - February 19, 1994

***Hearing Information***

Prehearing Conference Date(s)/Sessions: None

Hearing Date/Sessions: October 25, 1994/three, October 26, 1994/two, October 27,  
1994/three

Hearing Location: San Francisco, California

### ***Case Summary***

Claimant alleged:

Fraud, breach of fiduciary duty, professional negligence, unsuitability and failure to supervise in the purchase of Belmac Corporation (Belmac) stock. Claimant was a 54 year old proprietor of a personnel agency for the travel industry. She received her General Education Degree in 1969 and has no college education. Claimant was a customer of Respondents from 1986 to 1993 during which she had annual income of between \$15,000 to \$30,000. The purpose of her investment account was to provide for her secure retirement and represented approximately 90% of her assets, excluding her mortgaged home and automobile. Respondents knew these facts regarding Claimant's objectives and resources.

Belmac was a speculative stock, totally unsuitable for Anderson. Claimant relied upon Respondents and their expertise in making her investment, which was made based on misleading information.

Respondents denied each and every allegation of wrongdoing in the Statement of Claim and alleged:

Claimant was a sophisticated investor who sold her original shares of Belmac at a huge profit. She repurchased Belmac and then elected not to sell when the price rose even higher and continued to hold it while the price steadily declined. Claimant was apprised and was well aware of the performance of her stock and could have sold at any time. Anderson has invested in real estate partnerships, development type companies and contemplated gold futures. She did her own investment research, conversing with industry analysts and represented her annual income as in excess of \$60,000 and a net worth exceeding \$250,000.

### ***Relief Requested***

Claimant requested:

1. Compensatory damages of approximately \$44,000;
2. Filing fees and costs;
3. Such further relief as the arbitrators deems proper.

### ***Other Issues Considered and 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 and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay Claimant the sum of \$13,211.40 in compensatory damages;
2. The parties shall each bear their respective attorney's fees;
3. The parties shall each bear their respective costs.

#### ***Other Costs***

None.

#### ***Forum Fees***

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall refund the \$400 hearing session deposit previously paid by the claimant. Forum fees are assessed against:

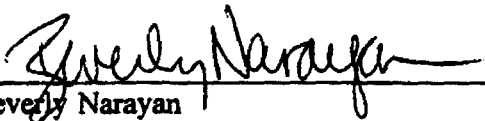
Respondents, jointly and severally, for \$3,200,  
calculated as follows: eight hearing sessions at \$400/hearing session, equals \$3,200.

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

#### ***Arbitration Panel***

<b><i>Name</i></b>	<b><i>Public/Industry</i></b>
Beverly Narayan	Public
Theodore Ross	Public
Shannon Drew	Industry

***Concurring Arbitrators' Signatures***

  
Beverly Narayan

\_\_\_\_\_  
Theodore Ross

\_\_\_\_\_  
Shannon Drew

***Date of Decision:*** November 17, 1994

**Date Served:** 12/02/94

***Concurring Arbitrators' Signatures***

\_\_\_\_\_  
Beverly Narayan

  
\_\_\_\_\_  
Theodore Ross

\_\_\_\_\_  
Shannon Drew

***Date of Decision:*** 11-7-94

**Date Served:** 12/02/94

***Concurring Arbitrators' Signatures***

\_\_\_\_\_  
Beverly Narayan

\_\_\_\_\_  
Theodore Ross

  
Shannon Drew

***Date of Decision:***

Date Served: 12/02/94