

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Frank K. and Elizabeth Parietti

93-04517

Name of Respondents

Chatfield Dean & Co., Inc.
Kenneth Clark

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 1, 1993, Claimants Frank K. and Elizabeth Parietti, who appeared Pro Se, alleged that Respondents Kenneth Clark and Chatfield Dean & Co., Inc., from July 1991 through October 1991, sold Claimants' shares in Plants for Tomorrow, Airship International, and Random Access. Claimants further alleged that Respondents "emphasized the safety of these investments" and urged Claimants to "invest any money I had since he could get it back for me whenever it was needed". Claimants further alleged that the Respondents told they "numerous times that it would be no problem getting the money when it was needed". The Claimants contended that the Respondents caused them to suffer damages due to the misrepresentations of the quality of those investments and the risk of the investments involved, and that, therefore they should be held liable in this matter.

Respondent Chatfield Dean & Co., Inc., by and through its in-house counsel, Christa D. Taylor, Esq., maintained that "claimants knew or should have known, before they made their purchases that the securities involved were speculative and posed a high degree of risk". The Respondent further maintained that the prospectus issued when Plants for Tomorrow made a public offering described the investment as "highly speculative" and warned investors not to purchase the stock if a person could not afford to lose his entire investment, and that the representative made no misrepresentation and Claimants must have known the risks of investing in a small ecological company and that they were willing to take the risks. Respondent further maintained that Claimants were fully aware of the risks when they made purchases of the Airship International stock and that Random Access has done well and has, indeed, proved to be a good investment. The Respondent also maintained that the Claimants were aware of Random's circumstances

through the Annual Report for 1991 and several quarterly reports sent by Respondent to them. Respondent Chatfield Dean & Co., Inc. contends that they suspect that Claimants' real complaint is that they sold Random at a low point and wished they had not done so. Respondent further contended that any money Claimants' lost is not due to any actions or failure to act on the part of Chatfield Dean & Co., Inc., but is the result of market fluctuations for which Chatfield Dean & Co., Inc. is not responsible.

Respondent Kenneth Clark failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimants Frank K. and Elizabeth Parietti requested \$6,198.00 in actual damages.

Respondent Chatfield Dean & Co., Inc. requested that the claim be dismissed.

Respondent Kenneth Clark failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent Kenneth Clark was served a copy of the Statement of Claim by certified and regular mail and given an opportunity to respond, which he failed to do.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent Kenneth Clark had notice of the Claim and was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Michel J. Landron, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on October 22, 1993, by the Respondent Chatfield Dean & Co., Inc. on November 29, 1993, but not signed by the Respondent Kenneth Clark as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

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. Respondents Chatfield Dean & Co., Inc. and Kenneth Clark are jointly and severally liable and shall pay to the Claimants Frank K. and Elizabeth Parietti \$2,066.00 in actual damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Frank K. and Elizabeth Parietti shall be retained by the NASD, Inc. Respondents Chatfield Dean & Co., Inc. and Kenneth Clark are jointly and severally liable and shall pay \$150.00 to the Claimants as reimbursement of the filing fee.

AFFIRMATION

I, MICHEL J. LANDRON, 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

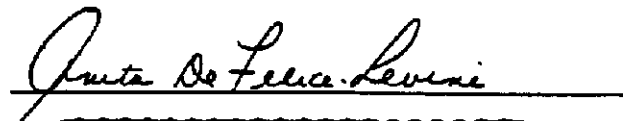
DATE OF DECISION: April 8, 1994

STATE OF: New York

SS:

COUNTY OF: Richmond

On this _____ day of _____ 19____, before me personally appeared Michel J. Landron, Esq. to me known and known before me to me the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



Anita De Felice-Levine

