

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Jon Eric Wallace

94-00701

Name of Respondents

R A F Financial Corporation
Charles Marion Stember

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 24, 1994, Claimant Jon Eric Wallace, who appeared Pro Se, alleged that Respondent Charles Marion Stember of the Respondent firm RAF Financial Corporation purchased 5,000 shares of Teletek stock without authorization, three working days prior to correcting an over purchase of Technigen Corp. CL A stock. Claimant further alleged that upon receipt of the Teletek buy tickets he informed Respondent Stember of the error and was told it would be fixed. Claimant contended that when he phoned Respondent Stember about the error appearing on his statement, Respondent Stember referred him to the Compliance Department. Claimant further contended that Respondent RAF Financial Corporation said there was no wrongdoing and offered a settlement of \$2,000.00. Claimant also asserted that in Respondent Stember's letter of June 17, 1992 to the Respondent RAF Financial Corporation he misrepresented and may have confused his letter of December 7, 1991 with subsequent phone calls. Therefore, the Claimant further asserted that due to Respondents wrongdoing he should be compensated for his losses.

Respondent Charles Marion Stember, through his counsel Ralph S. Janvey, Esq. of Kasmir and Krage, Dallas, TX, maintained that Claimant Wallace authorized the purchase of 9,000 shares of Technigen Corp. stock and that upon notification of its drop in value Claimant informed Respondent Stember that he would not forward the additional \$371.00 which resulted in Respondent Stember's selling 1,185 shares to cover the shortfall. Respondent Stember further maintained that he had a number of phone calls with the Claimant in March 1992 where he authorized the purchase of Teletek stock. Respondent Stember contended that there is no wrongdoing and therefore the claims of the Claimant should be dismissed.

Respondent RAF Financial Corporation, through its General Counsel Russell C. Burke, Esq., maintained that Claimant Wallace merely lost money in the stock market and seeks to make RAF the guarantor of his investments. Respondent RAF further maintained that it has not violated any state, federal, or common law and furthermore, that Claimant Wallace has failed to state any allegations against them which would entitle him to relief, and therefore, Respondent RAF denies any joint and several liability with co-Respondent Stember and requested the claims be denied.

RELIEF REQUESTED

Claimant Jon Eric Wallace requested \$6,100.57 in actual damages, including costs in the amount of \$150.00 and \$64.16, and interest calculated at 7% per annum.

Respondent Charles Marion Stember requested that the claims of the Claimant be dismissed.

Respondent RAF Financial Corporation 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, James Bussart, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 10, 1994, by Respondent RAF Financial Corporation on March 31, 1994 and by Respondent Charles Marion Stember on May 12, 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. Respondents RAF Financial Corporation and Charles Marion Stember are jointly and severally liable and shall pay to Claimant Jon Eric Wallace \$4,944.38 in actual damages.
2. Respondents RAF Financial Corporation and Charles Marion Stember are jointly and severally liable and shall pay interest to Claimant at the rate of 7% per annum from April 1, 1992 to the date of payment of the Award.
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 Jon Eric Wallace shall be retained by the NASD, Inc. Respondents RAF Financial Corporation and Charles Marion Stember are jointly and severally liable and shall pay \$150.00 to the Claimant as reimbursement of the filing fee.

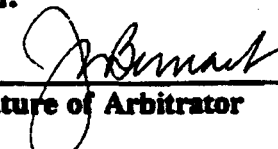
Affirmation

STATE OF GA

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COUNTY OF Cobb

I, JAMES C BUSSANT, do hereby affirm upon my oath
as arbitrator that I am the individual described in and who executed this instrument,
which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: March 28, 1995