

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Barbara Morris

94-00992

Name of Respondent

Legend Capital Corporation

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 16, 1994, Claimant Barbara Morris, through her representative Richard C. Hubbard, POA, alleged that Respondent Legend Capital Corporation, through its representative Pat Rock made an unsuitable recommendation when she convinced the Claimant to purchase \$25,000.00 worth of units in Phoenix Leasing Partnership Fund IV, and that the investment was clearly inappropriate due to the Claimant's financial status, lack of investment experience and vulnerable emotional state. The Claimant further alleged that the Respondent was aware that she was dyslectic and unable to read or understand the prospectus when it was presented to her. Claimant Barbara Morris contended that she has suffered damages due to the wrongdoing of the Respondent, and that, therefore, it should be held liable.

Respondent Legend Capital Corporation through its representative Glenn T. Ferris, compliance officer, maintained that the investment was appropriate for the Claimant and that she met the suitability standards. Respondent further maintained that the Claimant had expressed interest in long term investments and the idea to liquidate the investments came from Mr. Hubbard, not the Claimant herself. The Respondent contended that there was no justification for liquidating the Claimants portfolio based on the performance of her accounts, and in addition, there was no wrongdoing on their part or their representative Pat Rock and therefore, the claims of the Claimant should be dismissed.

RELIEF REQUESTED

Claimant Barbara Morris, requested \$6,922.00 in actual damages.

Respondent Legend Capital Corporation requested that the claims of the Claimants be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

The arbitrator considered Respondent Legend Capital Corporation's request for hearing. That request is denied.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, John P. Cullem, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 30, 1994 and by the Respondent 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. Respondent Legend Capital Corporation is liable and shall pay to Claimant Barbara Morris \$4,244.12 in actual damages, plus interest in the amount of \$2,268.80.
2. The parties shall bear their respective costs.
3. The \$75.00 non-refundable filing fee deposited with the National Association of Securities Dealers, Inc. by the Claimant (\$75.00 Hearing Session deposit was previously waived by the Director of Arbitration), shall be retained by the NASD, Inc.
4. Respondent Legend Capital Corporation shall pay \$75.00 to the NASD for the hearing session deposit.

Date of Decision: March 1, 1995

Affirmation

STATE OF Florida

SS:

COUNTY OF Pinellas

I, John P. Eason, 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 1, 1995