

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Steve M. Molloy

94-01013

Name of Respondents

Quick & Reilly

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 20, 1994, Claimant Steve M. Molloy, who appeared Pro Se, alleged that he purchased 900 shares of Cabot Medical Corp. stock from Respondent Quick & Reilly on June 14, 1993, four days before the record date, in order to receive a 10 percent stock dividend to be paid on July 2, 1993. Claimant further alleged that a broker at Respondent told him after his purchase that the ex-dividend date was June 14, 1993, and that he had to have been on record at 8:00 AM on this date in order to receive the dividend, which he was not. Claimant contended that Respondent should have told him that he was purchasing this stock ex-dividend when he made the purchase. Claimant further contended that if he would have known that he was not going to receive the 10 percent stock dividend, he would not have made his purchase of the investment in question. Claimant alleged that he suffered a loss while waiting for the dividend to be paid to his account. Claimant contended that he placed an order to sell the investment in question at the then current market price of \$5.625 per share, but that a broker at Respondent told him this sell order was not executed due to a further price drop from the day the sell order was placed. As a result of the above, Claimant alleged that he has suffered damages for which the Respondent should be held liable.

Respondent Quick & Reilly, through its representative Nicholas J. Chohey, maintained that it does not provide investment advice, tax advice or legal advice regarding the suitability or profitability of a security or investment, and that Claimant stated that he understood this upon signing his account application with

Respondent. Respondent further maintained that when Claimant purchased the investment in question there were no questions asked or facts mentioned regarding potential dividends. Respondent contended that the Claimant initiated the unsolicited transaction with the Respondent believing that he would be entitled to the dividend. Respondent further contended that prior to entering the order, the Claimant was aware of the true record date and the true payable date of the dividend in question. Respondent maintained that the Claimant did not question the Respondent as to why he was not entitled to the dividend in question for nearly two months. Respondent further maintained that the Claimant should not be allowed to mitigate a legitimate trading loss with the benefit of hindsight. As a result of the above, Respondent contended that it should not be held liable in this matter.

RELIEF REQUESTED

Claimant Steve M. Molloy requested \$2,475.00 in actual damages.

Respondent Quick & Reilly requested that the Claimant's Statement of Claim be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public arbitrator, Timothy D. O'Leary, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on April 19, 1994 and by the Respondent on June 14, 1994.

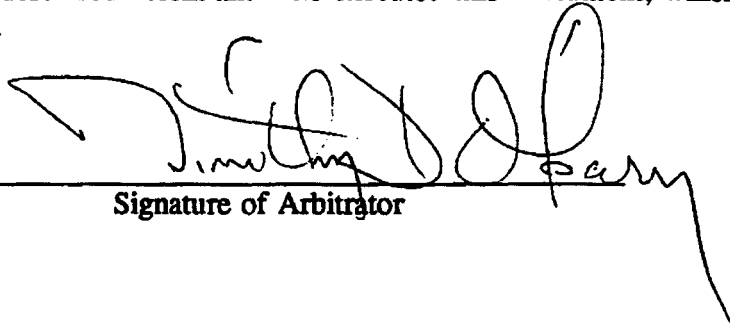
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimant Steve M. Molloy against Respondent Quick & Reilly are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

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AFFIRMATION

I, **TIMOTHY D. O'LEARY**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

A handwritten signature in black ink, appearing to read "Timothy D. O'Leary", is written over a horizontal line. The signature is stylized with large loops and a long trailing stroke at the end.

Signature of Arbitrator

DATE OF DECISION: November 29, 1994