

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Bonnie W. Young and George C. Young

94-01019

Name of Respondent(s)

J.C. Bradford & Co.
Estate of James M. Heidt

REPRESENTATION

For Claimant: Shawn D. Stafford, Esq. of Atlanta, Georgia.

For Respondent J.C. Bradford & Co., Claude O. Ramer, II, Esq. of Nashville, Tennessee .

For Respondent Estate of James M. Heidt, James McCallar, Jr., Esq., of McCallar & Associates.

CASE INFORMATION

Statement of Claim filed: March 16, 1994.

Claimants' Submission Agreement signed on: March 1, 1994.

Joint Statement of Answer filed by Respondents, J.C. Bradford & Co. and James M. Heidt
received on June 24, 1994.

Respondent, J.C. Bradford & Co.'s Submission Agreement signed on May 12, 1996.

Answer of Respondent Estate of James M. Heidt, Jr. dated: November 22, 1994.

HEARING INFORMATION

Hearing Dates/Sessions: February 27, 1995/Two Sessions
February 28, 1995/Two Sessions

Hearing Location: Offices of the National Association of Securities Dealers, Inc. located in Atlanta, Georgia.

CASE SUMMARY

Claimants alleged that James E. Heidt, Jr. ("Heidt") fraudulently misrepresented their investment objectives on J.C. Bradford forms and procured unsuitable investments by investing their life savings in a high risk margin account and Respondents failed to explain the risks inherent in a margin account. Claimants further alleged respondent Heidt fraudulently opened option accounts and wrongfully churned claimants' account by soliciting trades without their permission solely to generate commissions causing a loss of claimants' life savings. Claimants allege that respondents Heidt and J.C. Bradford & Co. ("Bradford") breached their fiduciary duties and agreements with claimants; engaged in common law fraud and misrepresentation; breached the contract with Claimants; violated Sections 10(b) and 10b-5 of the Securities Exchange Act of 1934; violated the Georgia Securities Act of 1973; engaged in negligence and gross negligence and Respondent J.C. Bradford failed to supervise Claimants' account.

Claimant Bonnie W. Young ("Bonnie") also alleges that the joint account was opened without her knowledge or consent and further alleges that she did not sign any of the joint account agreements.

Respondents denied all allegations and specifically denied recommending the use of either margin or option accounts and maintained the ideas originated with the Claimants. Respondents alleged that claimants became disenchanted with the returns on their growth investments and independently decided to open more aggressive margin and option accounts. Respondents further alleged that claimants wanted the margin account to obtain low interest rate loans for purposes unrelated to the joint account. Respondents alleged claimants pursued and controlled their trading strategies and that many of the trades in the account were unsolicited. Respondents also asserted they owed no fiduciary duty to claimants with this non-discretionary account and that claimants ratified all transactions in their account. Moreover, respondents alleged that claimants were fully advised of the risks of trading options and expressly and willingly assumed all such risks. Respondents further maintained the margin and option agreement were returned fully executed by both Youngs and without notification that Mrs. Young had not signed the documents. Respondents further maintained the Claimants are not entitled to punitive damages.

Respondents asserted a counterclaim against Claimant George C. Young alleging that to the extent the Claimant Bonnie Young's allegations that her husband George C. Young forged her signature on one or more account agreements or that he engaged in trading the account which was contrary to her objectives are true and that she would thereby be entitled to any relief against Respondents, Respondents asked that Claimant George C. Young should be required to indemnify and hold Respondents harmless in respect of all damages claimed by his wife in this action.

RELIEF REQUESTED

Claimants requested:

1. Compensatory damages in an amount at least equal to \$75,000, plus damages for lost interest and investment opportunities and growth;
2. Punitive damages;
3. Reasonable attorneys fees and expenses;
4. Forum, filing fees, and all other costs or expenses;
5. Any other or additional relief in favor of the claimants.

Respondents requested:

1. A dismissal of all of the claimants' complaints and reimbursement of their costs in this action;
2. To be indemnified and held harmless in respect to any damages resulting from the complaints of claimant Bonnie Young and the wrongful conduct of claimant George Young.

OTHER ISSUES CONSIDERED & DECIDED

Prior to the first hearing session the Claimants and the Respondent the Estate of James M. Heidt, Jr. agreed to dismiss without prejudice all claims against the Estate of James M. Heidt, Jr.

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. Claims of George C. Young: The Claimant, George C. Young, did not meet his burden of proof with respect to any of his claims against the Respondents and same are hereby dismissed.

2. Claims of Bonnie W. Young: The claims of Bonnie W. Young were decided as follows:

With respect to Count I, Federal Securities Laws Claims, Count II, State Securities Law Claims, Count III, Common Law Fraud and Misrepresentation, Count IV, Breach of Fiduciary Duty, Count V, Breach of Contract, Claimant did not meet her burden of proof with respect thereto and same are hereby dismissed.

With respect to Count VI, Negligence and Gross Negligence, and Count VII, Failure to Supervise, the arbitrators found that Respondent J.C. Bradford was negligent in the handling of the account with respect to the interests of Claimant Bonnie W. Young, and failed to supervise the account with respect to her interests.

3. Wherefore, the arbitrators hereby award Claimant Bonnie W. Young the amount of \$16,448.00 interest specially excluded against the Respondent J.C. Bradford as total actual damages arising out of said negligence and failure to supervise.
4. No punitive damages or other relief is awarded to Claimants.
5. Each party shall bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed:

Non-refundable filing fee Claimants -	\$ 150.00
Non-refundable filing fee Respondents -	\$ 500.00
Hearing Session Fees -	\$2,000.00 (4 sessions x \$500.00 per session)
Total Fees -	\$2,650.00

The undersigned arbitrators have determined that forum fees are to be assessed as follows:

1. The Claimant George C. Young is assessed the sum of \$1,150.00 Claimants previously paid \$650.00 and George C. Young owes a balance of \$500.00.
2. The Respondent J.C. Bradford and Company owes the sum of \$1,500.00 representing forum fees. They previously paid the sum of \$200.00 and owe a balance of \$1,300.00.

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

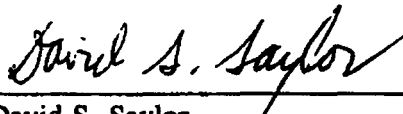
ARBITRATOR'S SIGNATURE

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Richard Allan Kaye, Esq.
Public Arbitrator

A handwritten signature in cursive script, appearing to read 'Douglas Noonan', written over a horizontal line.

Douglas Noonan, Esq.
Public Arbitrator

A handwritten signature in cursive script, appearing to read 'David S. Saylor', written over a horizontal line.

David S. Saylor
Industry Arbitrator

Date of Decision: March 29, 1995