

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Leola Farmer

and

NASD Case Number 94-01122

Wendell D. Belden

REPRESENTATION OF PARTIES

Claimant, Leola Farmer appeared Pro Se.

Respondent, Wendell D. Belden also appeared Pro Se.

CASE INFORMATION

The Statement of Claim was filed on or about March 23, 1994.

The Submission Agreement of Leola Farmer was signed on March 7, 1994.

An letter clarifying the Statement of Claim was filed by Leola Farmer on or about October 6, 1994.

The Statement of Answer and Motion to Dismiss was filed by Wendell D. Belden on or about June 22, 1994.

The Submission Agreement of Wendell D. Belden was signed on June 22, 1994.

Respondent Wendell D. Belden's Response to Claimant's additional submission dated October 6, 1994 was filed on or about October 25, 1994.

HEARING INFORMATION

The hearing was held on September 13, 1995 in Oklahoma City for a total of three (3) sessions.

CASE SUMMARY

In the Statement of Claim, Leola Farmer ("Farmer") alleged that Respondent, Wendell D. Belden ("Belden") made gross and deliberate misrepresentations on or about August 30, 1993 concerning a mutual bond fund called SunAmerica U.S. Government Securities, Inc. According to the Claimant, Belden suggested that Farmer purchase a U.S. Government Securities Trust Fund which would, among other things, pay 6.59% interest with monthly withdrawals, would be an investment of two years or longer with a penalty for early

withdrawal, would be FDIC insured and would be held in her name. As alleged, Farmer invested \$94,443.46 in SunAmerica U.S. Government Securities Mutual Fund (the "Fund") on or about August 31, 1993 based on Belden's representations. Farmer allegedly had requested of Belden a renewal of her \$94,443.46 certificates of deposit which expired on August 30, 1993. Farmer contended that when she contacted and spoke with Belden by telephone on September 1, 1993 stating her concern for the safety of the investment, Belden did not agree to change the investment to a certificate of deposit. Farmer further contended that she did not receive the U.S. Government Securities held in her name as she thought she would yet she received shares in a mutual bond fund issued by SunAmerica. As alleged, the Claimant told Belden to sell the Fund on October 12, 1993 to which Belden responded that there would be a 5% early withdrawal penalty and he insisted that Farmer keep the Fund and sign a money management agreement with a power of attorney. Farmer did allegedly pay a penalty of \$4,700.00 for early withdrawal since she placed an order to sell their shares of the Fund on or about October 13, 1993.

Respondent, Wendell D. Belden denied all the allegations asserted by the Claimant requesting that the Statement of Claim be dismissed in its entirety. The Respondent asserted that the Claimant was a wealthy, highly sophisticated business woman and that the investment was not only suitable for the Claimant but also earned \$278.80 for the Claimant.

RELIEF REQUESTED

Claimant, Leola Farmer requested an award in the amount of \$4,700.00 in actual damages as well as \$4,700.00 in punitive damages.

Respondent, Wendell D. Belden requested that the allegations contained in the Statement of Claim be dismissed in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

The Arbitrator reviewed and considered Respondent, Planners Independent Management, Inc.'s Motion to Dismiss and all related submissions. The Arbitrator determined on or about March 15, 1995 that the Motion was granted and, therefore, Planners Independent Management, Inc. was removed as a party in this case.

The Arbitrator called for a hearing in this matter pursuant to Section 13 (f) of the NASD Code of Arbitration Procedure.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive

conformed copies of the Award while the original remains on file with the NASD.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned Arbitrator has decided in full and final resolution of the issue submitted for determination as follows:

1. The Statement of Claim submitted by Leola Farmer is hereby denied in its entirety;
2. All requests for relief not specifically granted herein are hereby denied in their entirety; and
3. The parties shall bear their own costs of arbitration except for those costs specifically enumerated herein.

FORUM FEES

Forum fees are calculated at the rate of \$200.00 per hearing session. There were three (3) sessions x \$200.00 = \$600.00 in forum fees. Pursuant to Section 43(b) of the NASD Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to Section 43(c) of the Code, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$75.00 and shall retain as forum fees the hearing session deposit in the amount of \$75.00 previously deposited with the NASD by the Claimant, Leola Farmer. Pursuant to Section 45, the NASD shall retain the surcharge in the amount of \$200.00 previously deposited with the NASD by Respondent, Planners Independent Management, Inc. Claimant, Leola Farmer is hereby liable for and shall pay to the NASD the sum of \$150.00 in additional forum fees. Respondent, Wendell D. Belden is hereby liable for and shall pay to the NASD the sum of \$300.00 in forum fees. Fees are payable to the National Association of Securities Dealers, Inc.

Arbitrator's Signature

Dated

Dennis S. Boxeur, Esq.
Dennis S. Boxeur, Esq.
Public Arbitrator, Presiding Chair

October 3, 1995

Date served by the NASD: October 12, 1995