

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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In the Matter of the Arbitration Between

**Name of Claimant**

Reginald B. Smith

94-01240

**Name of Respondents**

Invest Financial Corp.  
Stephen Michael Angelis

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on April 5, 1994, Claimant Reginald B. Smith, who appeared Pro Se, alleged that Respondent Stephen Michael Angelis of the Respondent firm Invest Financial Corp. misrepresented Conner Peripherals, Inc. stock of which Claimant bought 150 shares and further that he was advised to keep holding the stock even after he expressed concern that it was dropping in value. Claimant further alleged that when Respondent Invest Financial Corp. responded to Claimant notifying them of a claim they resorted to falsehoods stating the purchase was a "sure thing", the order was "unsolicited", and that at no time was Claimant advised to select a stock over the others submitted by Claimant to Respondent Angelis. Claimant contended that he was introduced to Conner stock by Respondent Angelis. Claimant further contended that he did not speak to Respondent Angelis after 1992 until he called his office on January 14, 1994 to file a claim. Claimant asserted that an investment opportunity was misrepresented to him and should be compensated for his losses.

Respondents Invest Financial Corp. and Stephen Michael Angelis, through their in-house counsel Eugene B. Harper, Esq., maintained that Claimant was aware of the risk factor in this investment. Respondents further contended that on January 27, 1991 Claimant instructed Respondent Angelis to liquidate the variable annuity and purchase 150 shares of Conner Peripherals as an IRA Rollover although Respondent Angelis advised against. Respondents also maintained that the order was "unsolicited" in that the security was selected by the Claimant and the order was initiated by the Claimant. and that the Claimant is solely responsible for all investment decisions on his account, therefore Respondents deny any wrongdoing in this matter and request that the claim be dismissed.

**RELIEF REQUESTED**

Claimant Reginald B. Smith requested \$4,233.91 in actual damages and interest at the rate of 5%.

Respondents Invest Financial Corp. and Stephen Michael Angelis requested that the claim be dismissed and all costs be assessed against Claimant.

**AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, John F. Snyder, 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, by Respondent Invest Financial Corp. on June 9, 1994 and by Respondent Stephen Michael Angelis on May 25, 1994.

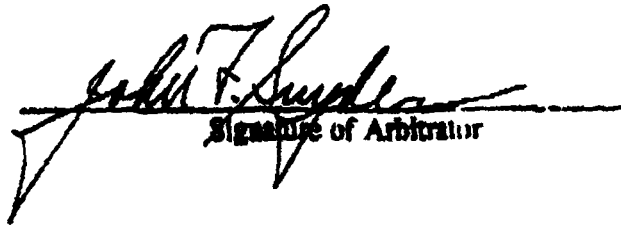
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Invest Financial Corp. is liable and shall pay to Claimant Reginald B. Smith \$2,176.06 in actual damages.
2. Respondent Stephen Michael Angelis is liable and shall pay to Claimant Reginald B. Smith \$2,176.06 in actual damages.
3. Respondent Invest Financial Corp. is liable and shall pay to Claimant Reginald B. Smith simple interest at the rate of 5% from January 22, 1991 to the date of payment of the Award.
4. Respondent Stephen Michael Angelis is liable and shall pay to Claimant Reginald B. Smith simple interest at the rate of 5% from January 22, 1991 to the date of payment of the Award.
5. Claimant Reginald B. Smith shall relinquish 150 shares of Conner Peripherals, Inc. stock to Respondent Invest Financial Corp. upon receipt of payment of the Award.
6. The parties shall bear their respective costs.
7. The \$50.00 filing fee deposited with the National Association of Securities Dealers, Inc. by the Claimant Reginald B. Smith shall be retained by the NASD, Inc. Respondent Invest Financial Corp. is liable and shall pay to Claimant Reginald B. Smith \$50.00 as reimbursement of the filing fee.

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**AFFIRMATION**

I, JOHN F. SNYDER, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
Signature of Arbitrator

DATE OF DECISION: March 15, 1995