

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Edna C. Price

94-01384

Name of Respondents

J.J.B. Hilliard, W.L. Lyons, Inc.
Stephen L. Grossman
William B. Conner

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 11, 1994, Claimant Edna C. Price, who appeared Pro Se, stated that she is an 84 year old retired teacher, and a widow with no children or relatives. Claimant further stated that she has huge medical, health care and nursing home bills. Claimant asserted that her previous investments consisted of CDs, two small bonds, and a 100% no-load tax free municipal bond fund. Claimant alleged that Respondent William B. Conner ("Conner") while employed by Respondent J.J.B. Hilliard, W.L. Lyons, Inc. ("Hilliard Lyons") solicited the purchase of \$15,000 worth of Eaton Vance Kentucky Tax Free Municipal Bond Fund on November 14, 1993, such investment being unsuitable for Claimant given her age, prior investment experience, and financial situation. Claimant further alleged that Conner failed to stress the 6% back end load on the fund, and that he failed to explain the details of the investment to her. Claimant stated that on March 17, 1994 she had to redeem her investment to meet financial obligations. Claimant contended that a written complaint was sent to Conner's branch manager, Stephen L. Grossman (Grossman") who replied stating that the investment was appropriate. As a result of the above, Claimant alleged that she has suffered damages for which the Respondents should be held liable.

Respondents, J.J.B. Hilliard, W.L. Lyons, Inc. ("Hilliard Lyons"), Stephen L. Grossman (Grossman") and William B. Conner ("Conner"), through in-house counsel Ann Wilson, Esq., Louisville, Kentucky, maintained that Respondents' actions were at all times entirely fair, proper and ethical. Respondents further maintained that Conner's recommendation was appropriate based on the financial information and objectives provided to him by Claimant. Respondent Conner asserted that he believed that Claimant understood the sales charges, that she stated she did not need investment

income or principal for living expenses, and that this would be a long-term investment. Conner further asserted that Claimant represented that her annual retirement income was approximately \$25,000 with a net worth exclusive of residence of \$100,000 to \$250,000. Conner contended that he provided Claimant with a prospectus and discussed the details of the bond fund with her. As a result of the above, Respondents contended that it should not be held liable in this matter.

RELIEF REQUESTED

Claimant, Edna C. Price, requested \$1,468.00 in actual damages.

Respondents, J.J.B. Hilliard, W.L. Lyons, Inc., Stephen L. Grossman, and William B. Conner, requested that the Statement of Claim be dismissed with prejudice.

AWARD

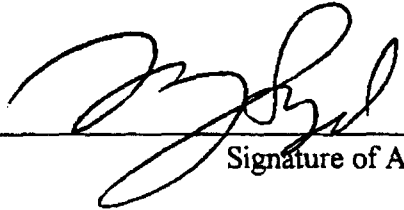
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public Arbitrator, Martin Jay Siegel, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on April 6, 1994, by Respondent J.J.B. Hilliard, W.L. Lyons, Inc. on June 8, 1994, and by Respondents Stephen L. Grossman and William B. Conner 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. Respondents, J.J.B. Hilliard, W.L. Lyons, Inc., Stephen L. Grossman, and William B. Conner, shall be and hereby are jointly and severally liable for, and shall pay to Claimant, Edna C. Price \$1,121.43 in actual damages.
2. Respondents, J.J.B. Hilliard, W.L. Lyons, Inc., Stephen L. Grossman, and William B. Conner, shall be liable for, and shall pay to Claimant, Edna C. Price, interest at the rate of nine percent (9%) on the above award from March 24, 1994 to the date of this award.
3. The parties shall bear their respective costs.
4. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. ("NASD") by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, **MARTIN JAY SIEGEL, ESQ.**, 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.



Signature of Arbitrator

DATE OF DECISION:

June 23, 1995

STATE OF: *New York*

SS:

COUNTY OF: *NASSAU*

On this *23rd* day of *June* 19*95*, before me personally appeared **MARTIN JAY SIEGEL, ESQ.** to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Norma O. Walters

NORMA O. WALTERS
Notary Public, State of New York
No. 30-4604194
Qualified in Nassau County
Commission Expires Aug. 31, 19*95*