

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

LeEtta Engblom

94-01913

Name of Respondents

Eric Equities, Inc.
Dean Burchett

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 19, 1994, Claimant LeEtta Engblom, who appeared Pro Se, alleged that Respondent Dean Burchett ("Burchett") made positive, stable sounding statements to her, and that she purchased 1000 shares of the Franklin Real Estate Income Fund from Respondents Eric Equities, Inc. and Burchett. Claimant further alleged that Respondent Burchett suggested she use this investment as part of her retirement vehicle. Claimant contended that given her salary and net worth at the time a wiser use of her \$10,000.00 should have been considered. Claimant further contended that if she sold the investment in question it would cost her a 60% loss of capital. In her Comments to the Response of Respondents, Claimant denied that her net worth was \$40,000.00. As a result of the above, Claimant alleged that she has suffered damages for which the Respondents should be held liable.

Respondents Eric Equities, Inc. and Dean Burchett, through their representative Dean Burchett, maintained that they have never had an arbitration complaint filed against them in the past. Respondents further maintained that Claimant's dissatisfaction arose in early 1994 when the shares in question were listed on the American Stock Exchange, and that the prospectus made clear that the business plan of the investment in question included a provision that the shares would ultimately be listed, providing a trading market. Respondents contended that the investment in question was a conservative investment. Respondents further

contended that Claimant was provided with a prospectus, and that there were no misrepresentations. Respondents maintained that the investment in question was suitable for Claimant, and that she has not lost any money. As a result of the above, Respondents contended that they should not be held liable in this matter.

RELIEF REQUESTED

Claimant LeEtta Engblom requested \$4,875.00 in actual damages, plus \$125.00 in filing fees.

Respondents Eric Equities, Inc. and Dean Burchett 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, Audrey H. Ruben, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on May 16, 1994 and by the Respondents on September 6, 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 LeEtta Engblom against Respondents Eric Equities, Inc. and Dean Burchett are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$125.00 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, **AUDREY H. RUBEN**, 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 cursive script, reading "Audrey H. Ruben", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: December 28, 1994