

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Edward Buckney

and

95-00212

Name of Respondent

Chatfield Dean & Company
Nicholas P. Madamas, Jr.

REPRESENTATION OF PARTIES

Edward Buckney ("Claimant") was represented by Martin A. Blumenthal, Esq., Chicago, Illinois.

Chatfield Dean & Company ("Respondent Chatfield") was represented by Christa D. Taylor, Esq., Chatfield Dean & Company, Greenwood Village, Colorado.

Nicholas P. Madamas, Jr. ("Respondent Madamas") appeared *pro se*.

CASE INFORMATION

The Statement of Claim was filed on or about January 16, 1995. Submission Agreement of Claimant Edward Buckney was signed on January 5, 1995.

Statement of Answer was filed by Respondent Chatfield Dean & Company on or about February 22, 1995. Submission Agreement of Respondent Chatfield Dean & Company was signed on February 22, 1995 by S. Cheryl Bauman.

Respondent Nicholas P. Madamas, Jr. did not file an Answer to the Statement of Claim.

HEARING INFORMATION

The hearing was held on Tuesday, October 25, 1995 in Chicago, Illinois for a total of two (2) sessions.

CASE SUMMARY

Claimant alleged that before he opened his account at Chatfield Dean, he advised respondents that his goals were geared toward his impending retirement and wanted suitable investments. Claimant also alleged that Respondents engaged in a series of unsuitable trades, and made material misrepresentations with respect to those trades.

Respondent Chatfield denied the allegations set forth in the Statement of Claim. Respondents specifically stated that the Claimant actually had two accounts at Chatfield, an individual account and a joint account with his wife. Respondent Chatfield stated that the complaint involves the individual account only and that the stated investment objective for that account was speculation. Additionally, Respondent Chatfield stated that the fact that the Claimant wished to speculate in his individual account was evidenced by the fact that on many occasions he was called by compliance personnel prior to the execution of trades and that the Claimant confirmed that speculation was among his investment objectives. Respondent Chatfield also denied the allegations of churning.

Respondent Nicholas Madamas did not file an Answer.

RELIEF REQUESTED

Claimant requested an award in the amount of \$34,743.88 and any other relief that the arbitrators may find to be just and equitable.

Respondent Chatfield requested that the claims asserted against it be denied in its entirety and that it be awarded its' attorneys' fees and such other relief as is just.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Nicholas Madamas, Jr. did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to §12 of the NASD Code of Arbitration Procedure (the "Code") and having appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

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(s) remain on file with the NASD.

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. Respondents Chatfield Dean & Company and Nicholas Madamas, Jr. shall be and hereby are jointly and severally liable for and shall pay to the Claimant Edward Buckney the sum of **fifteen thousand dollars (\$15,000)**.
2. Each party shall bear its own costs, expenses and attorneys' fees incurred in this matter not specifically enumerated herein.

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There were two (2) sessions x \$400 = \$800 in forum fees. Pursuant to §43(b) 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 §43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall **retain** the non-refundable filing fee in the amount of \$120 and shall **refund** the hearing session deposit in the amount of \$400 previously deposited with the NASD by the Claimant Edward Buckney. Respondents Chatfield Dean & Company and Nicholas Madamas, Jr. shall be and hereby are jointly and severally liable for and shall pay to the NASD the sum of \$800 as forum fees.

Pursuant to §45, the NASD shall retain the member surcharge in the amount of \$200 previously paid by Respondent Chatfield Dean & Company. **Fees are payable to the National Association of Securities Dealers, Inc.**

Dated:

/s/ Charles F. Custer, Esq.
Charles F. Custer, Esq.
Public Arbitrator, Presiding Chair

October 25, 1995

/s/ James M. Mulcahy, Esq.
James M. Mulcahy, Esq.
Public Arbitrator

October 25, 1995

/s/ William M. Bayuk
William M. Bayuk
Industry Arbitrator

October 25, 1995