

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Gary R. Becklund

95-00453

Name of Respondents

Hayne, Miller & Farni, Inc.
Todd P. Anderson

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 27, 1995, Claimant Gary R. Becklund, through his representative, James B. Fleming, Esq., of Monticello, MN., alleged that Respondents Hayne, Miller & Farni, Inc. ("HMFI"), and Todd P. Anderson ("Anderson"), purchased and sold securities for his account without authorization. Claimant further alleged that he established an Options Trading Account with Equity Securities Trading Company, a clearing agent for Respondent HMFI, on October 12, 1989, and pursuant to the agreement between the parties, no discretionary trading authority was granted to the company. Claimant contended that he executed a Customer Agreement with Respondent on December 7, 1992, pursuant to which trading decisions were reserved to Claimant. Claimant further contended that between March, 1992 and July, 1993, Respondent Anderson, a representative of Respondent HMFI, executed a series of unauthorized transactions involving the purchase and sale of Sandy Corp., MEI Diversified Inc., Royce Labs Com, Water Technologies Corp., and CE Software HLDGS Common. Claimant alleged that the net result of these unauthorized transactions was a loss of \$5,264.19, for which Respondents should be held liable.

Respondent Hayne, Miller & Farni, Inc., through its representative, Robert D. Maher, Esq., of Minneapolis, MN, maintained that Anderson never executed any unauthorized transactions between March, 1992 and July, 1993, or at any other time. Respondent further maintained that Claimant was advised of and he approved of all transactions prior to each transaction. Respondent contended that Claimant received confirmation notices and monthly account statements each month reflecting the account activity. As a result of the above, Respondent HMFI maintained that it should not be held liable.

Respondent Todd P. Anderson did not file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Gary R. Becklund, requested \$5,264.19 in actual damages, plus interest, costs and attorney's fees.

Respondent Hayne, Miller & Farni, Inc., requested that the claims of the Claimant be dismissed.

Respondent Todd P. Anderson did not file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent Todd P. Anderson, was served by regular mail and given an opportunity to respond, which he failed to do. In addition, an overdue answer notice was sent to the Respondent by certified mail and was received as evidenced by the signed return card on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent Todd P. Anderson, had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, James H. Colburn, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Gary R. Becklund, on December 19, 1994, and by the Respondent Hayne, Miller & Farni, Inc., on March 17, 1995, and not by Respondent Todd P. Anderson, as required by Sections 12 and 13 of the NASD Code of Arbitration Procedure.

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 the Claimant Gary R. Becklund, against Respondents Hayne, Miller & Farni, Inc. and Todd P. Anderson, are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Gary R. Becklund, shall be retained by the NASD, Inc.

AFFIRMATION

STATE OF MINNESOTA

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ss:

COUNTY OF HENNEPIN

I, JAMES H. COLBURN, 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.

James H. Colburn
Signature of Arbitrator

DATE OF DECISION: December 26, 1995

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Steve Blonde

95-00454

Name of Respondent(s)

Corporate Securities Group, Inc.
Vincent Chiera
Andrea Joyce Wagner

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 27, 1995 Claimant Steve Blonde, who appeared Pro Se, alleged that Respondents Corporate Securities Group Inc., Vincent Chiera and Andrea Joyce Wagner rescinded their approval for him to open and operate an independent branch office of Corporate Securities Group, Inc., which resulted in a financial loss. The Claimant contended that one week prior to opening the branch, the firm and its executive committee decided to rescind the approval, and that due to their actions, he suffered damages for which the Respondents should be held liable.

Respondents Corporate Securities Group, Inc., Vincent Chiera and Andrea Joyce Wagner, through their representative and in-house counsel, Charles E. Scarlett, Esq., maintained that the firm agreed to allow Claimant to initially open the branch office, based on his representation that he would diversify his business beyond one or two clients. The Respondents further maintained that one of the Claimant's clients had provided discretionary authority to an individual who is in prison, and that on June 21, 1994 the Executive Committee determined that the Claimant could not open the branch. The Respondents also maintained that no allegations of wrongdoing are raised against Andrea Joyce Wagner and Vincent Chiera, and that therefore, they should be dismissed from this action.

RELIEF REQUESTED

Claimant Steve Blonde requested \$10,000.00 in actual damages.

Respondents Corporate Securities Group Inc., Vincent Chiera and A. Joyce Wagner requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 10 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, John Darling, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 21, 1995 and by the Respondents Corporate Securities Group, Inc., Andrea Joyce Wagner and Vincent Chiera on June 2, 1995.

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 Corporate Securities Group Inc. is liable and shall pay to Claimant Steve Blonde \$3,000.00 in actual damages.
2. The Claims of the Claimant Steve Blonde against Respondents Andrea Joyce Wagner and Vincent Chiera are dismissed in their entirety.
3. The parties shall bear their respective costs.
4. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Corporate Securities Group Inc. is liable and shall pay to the Claimant \$287.50 as reimbursement of one-half of the filing fee.

AFFIRMATION

STATE OF Florida

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SS:

COUNTY OF Palm Beach

I, _____, 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.

John Darling
Signature of Arbitrator

DATE OF DECISION: 3/27/96



TERESA A. SMITH
COMMISSION # CC 415739
EXPIRES OCT 24, 1998
FIDELITY & SECURITY
AT & FIDELITY & SECURITY CO., INC.

Sworn to and signed before me this
18th day of April 1996
Teresa A. Smith
Notary Public
State of Florida