

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Harry H. Eickemeyer

95-00462

Name of Respondent

Kemper Securities, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 30, 1995, Claimant Harry H. Eickemeyer ("Claimant"), who appeared Pro Se, alleged that Respondent Kemper Securities, Inc., ("Respondent"), through its representative Gabriele Geesling ("Geesling") sold him \$20,000.00 of Federal Home Loan Mortgage Corp., Bonds ("Bonds") on September 30, 1993. Claimant further alleged that the maturity date on the Bonds was represented as 5.9 years but the confirmation statement indicated a maturity date of 2023. Claimant contended that he contacted Geesling about the discrepancy and asked for a guaranteed due date which she indicated she would provide in writing but never did. Claimant further contended that he contacted Vince Testa of Kemper Securities, Inc., and expressed his concern over the due date and on November 22, 1994 wrote to Respondent requesting that the deal be reversed or in the alternative that they give him a written guarantee. Claimant alleged that he never received a research report concerning this investment until 14 months after Respondent states it was sent to him. Claimant further alleged that as a result of the above, he has suffered a loss for which the Respondent should be held liable.

Respondent Kemper Securities, Inc., through its representative and in-house counsel, Don Andrews, Esq., maintained that the claim is not grounded in fact or in common sense. Respondent further maintained that although Claimant is elderly he is neither naive or unsophisticated and was fully informed about the nature of the Bond investment through written material and oral discussions. Respondent contended that Claimant maintains both a personal account and a investment corporation account and trades various bond instruments in both. Respondent further contended that Geesling and Claimant had numerous conversations about the bond purchase in or about September of 1993 during which Claimant was informed that the average life of the bond could be substantially shorter than the 30 period of the instrument. Respondent maintained that Claimant had expressed concern over the investment after his purchase at which time Geesling fully explained the instrument. Respondent further maintained that Claimant accepted the investment because he did not attempt to cancel it until much later on. Respondent contended that as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimant Harry H. Eickemeyer, requested \$10,000.00 in actual damages plus costs.

Respondent Kemper Securities, Inc., requested that the claims of the Claimant be dismissed.

AWARD


Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Mark D. Chester, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Harry H. Eickemeyer, on January 27, 1995, and by the Respondent Kemper Securities, Inc., on June 13, 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. The claims of the Claimant Harry H. Eickemeyer, against Respondent Kemper Securities, Inc. 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 Harry E. Eickemeyer, shall be retained by the NASD, Inc. The Respondent Kemper Securities, Inc., is liable and shall pay to the Claimant Harry H. Eickemeyer, \$150.00 as reimbursement of the filing fee.

AFFIRMATION

I, **MARK D. CHESTER, 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.



Mark D. Chester, Esq.

DATE OF DECISION: December 20, 1995