

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

James and Genevieve Sternweis

95-00854

Name of Respondent

Wes B. Harrison

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 17, 1995, Claimants James and Genevieve Sternweis, who appeared Pro Se, alleged that Respondent became their broker in February of 1993, at which time Claimants were interested in investing \$50,000.00 in a short term investment with only a small front or rear end load. Claimants further alleged that Respondent recommended Oppenheimer Strategic Income Fund-SBI-Class B, and stated that if Claimants held it for Twelve months or more, a rear end fee of 1% would be charged with no front end fee. Claimants contended that they received the prospectus after investing \$50,000.00 in the fund, and learned that there was a sliding scale of rear end loads of 5-1%. Claimants further contended that Respondent promised to, "stand by his word and only charge ... the 1%", if Claimants held the fund for a year or more, but Respondent in fact charged 4% or \$3,770.00. As a result of the above, Claimants alleged they have suffered a loss for which Respondent should be held liable.

Respondent Wes B. Harrison, through his representative, Gregory Tendrich, Assistant General Counsel, for Securities Group, Inc., maintained that in February of 1993, Claimants came into his office to discuss interest paying investments. Respondent further maintained that he informed Claimants about the Oppenheimer Strategic Income Fund, and that the Class B shares do not charge a front end sales charge, but charge a rear end fee that declined 1% each year from the date of purchase beginning at 5% if sold before the first twelve months

ended. Respondent contended that several days after Claimants invested in the fund, Claimants called Respondent and communicated that Respondent misrepresented the deferred sales charge. Respondent further contended that he explained the sales charge to Claimants again, and offered to cancel out Claimants' trade if they were dissatisfied, but Claimants chose not to cancel. As a result of the above, Respondent maintained he should not be held liable in this matter.

RELIEF REQUESTED

Claimants James and Genevieve Sternweis, requested \$2,795.00 in actual damages.

Respondent Wes B. Harrison, requested that the claims of the Claimant be dismissed in their entirety.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David G. Beerbower, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 14, 1995 and by the Respondent on June 28, 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 Claimants James and Genevieve Sternweis, against Respondent Wes B. Harrison, 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 Claimants James and Genevieve Sternweis, shall be retained by the NASD, Inc.

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AFFIRMATION

I, DAVID G. BEERBOWER, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my award.


David G. Beerbower, Esq.

DATE OF DECISION: August 17, 1995