

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Harold and Kathryn Dusen

95-00977

Name of Respondents

Keith Brechbill
Larry Weil

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 24, 1995, Claimants Harold and Kathryn Dusen, who appeared Pro Se, alleged that Respondent Keith Brechbill ("Brechbill"), recommended the purchase of 500 shares of Immunotherapeutic ("IMNP") on January 26, 1994. Claimants further alleged that the stock was not suitable due to the financial position of IMNP, and that Brechbill misrepresented the risk and misinformed Claimants that IMNP was listed on NASDAQ. Claimants contended that subsequent to complaining about Respondent Brechbill to Larry Weil ("Weil"), his supervisor, Weil took over their account and recommended the purchase of 1,000 shares AFGL on April 25, 1994. Claimants further contended that Weil also misrepresented the riskiness of the proposed AFGL investment, and further that both Respondents recommended investments that were not suitable for their financial position, and used "high pressure sales techniques" that were very inappropriate. Claimants further alleged that as a result of the above, they have suffered a loss for which the Respondents should be held liable.

Respondents Keith Brechbill and Larry Weil, through L.C. Wegard & Co., Inc.'s, customer relations administrator, William B. Erb, maintained that Claimants' self stated investment objective of "aggressive growth" was suitable for the stocks recommended by Respondents. Respondents further maintained that Claimants authorized and ratified both of the disputed investments, after having been fully informed in writing and verbally of the risks of each investment by the Respondents. Respondents contended that at no time did Claimants request that either disputed transaction be cancelled, but rather promptly paid for each transaction, and further that, while they regret losses suffered by any of their customers, they are not guarantors against such losses. Respondents asserted that as a result of the above, they should not be held liable in this matter.

In a statement filed by Respondent Keith Brechbill, he maintained that based on information provided to him by the Claimants, the investments were suitable for them, and further that any losses incurred by the Claimants was not a result of unsuitable recommendations.

RELIEF REQUESTED

Claimants Harold and Kathryn Dusen requested \$6,475.00 in actual damages.

Respondents Keith Brechbill and Larry Weil 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, Joseph R. Lally, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Harold and Kathryn Dusen, on February 20, 1995, by the Respondent Keith Brechbill on June 13, 1995, and by Respondent Larry Weil on May 10, 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 Respondents Keith Brechbill and Larry Weil, are jointly and severally liable, and shall pay to the Claimants Harold and Kathryn Dusen, \$2,690.00 in actual damages.
2. The Respondent Larry Weil, is liable and shall pay to the Claimants Harold and Kathryn Dusen, \$3,784.00 in actual damages.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Harold and Kathryn Dusen, shall be retained by the NASD, Inc. The Respondents Keith Brechbill and Larry Weil, are jointly and severally liable, and shall pay to the Claimants Harold and Kathryn Dusen, \$150.00 as a reimbursement of the filing fee.