

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimant

Margie K. Williams

95-01105

Name of Respondents

First Investors Corporation  
Martin S. Brown

---

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc, on March 2, 1995, Claimant, Margie K. Williams, through her representative, Michael W. Pursley, of Arbitration Research Consultants, in Safety Harbor, FL, alleged that Respondents, First Investors Corporation ("FIC") and Martin S. Brown ("Brown"), made misrepresentations, breached their fiduciary duties, were negligent in handling her account and sold her unsuitable investments. Claimant further alleged that she was contacted by Respondent Brown, a representative of Respondent FIC in 1990. Claimant contended that Respondent Brown recommended that Claimant divide her money (\$53,000.00) and place it into two funds, Keystone "Series B-2" and Keystone "Series B-4" which were represented to be safe and conservative. Claimant further contended that Respondent Brown promised to monitor her account and to advise her if the value declined. Claimant alleged that the two funds were not suitable for her and the risks which were never explained, translated into significant losses of principal. Claimant further alleged she gave Respondent Brown an additional \$10,000.00 to place in a money-market account, which she later discovered was invested in another fund, the First Investors Investment Grade "Series FD". Claimant contended that she asked Respondent Brown to sell all of her securities and he refused. As a result of the above, Claimant alleged that she has suffered a loss for which Respondents should be held liable.

Respondents, First Investors Corporation and Martin S. Brown, through their representative, Ronald J. Roller, Esq., of New York, NY, maintained that Respondent Brown obtained a "Confidential" from the Claimant which indicated that Claimant maintained a savings account, a checking account, and certificates of deposit, and that her goal was to provide for higher income. Respondents further maintained that Respondent Brown explained to the Claimant that the price of mutual fund shares fluctuate in value and that mutual funds are long-term investments. Respondents contended that Claimant received account statements, annual reports and semi-annual reports from Keystone which enabled her to monitor her investments. Respondents further contended that considering in the aggregate all investments made with Respondent Brown, the Claimant has received a profit of approximately \$11,591.00 over a period of about three years. As a result of the above, Respondents maintained that they should not be held liable.

**RELIEF REQUESTED**

Claimant, Margie K. Williams, requested \$9,860.87 in actual damages, plus costs and punitive damages.

Respondents, First Investors Corporation and Martin S. Brown, requested that the claims of the Claimant be dismissed.

**AWARD**

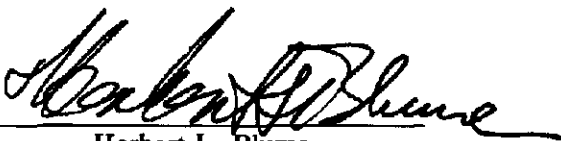
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Herbert L. Blume, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Margie K. Williams, on March 2, 1995, and by the Respondent, Martin S. Brown, on June 8, 1995, and the Respondent, First Investors Corporation, on June 27, 1995.

And the Arbitrator, having considered the proof of the parties, has decided and determined in full the final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant, Margie K. Williams, against the Respondents, First Investors Corporation and Martin S. Brown, 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, Margie K. Williams, shall be retained by the NASD, Inc.

**AFFIRMATION**

I, **HERBERT L. BLUME**, 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.

  
Herbert L. Blume

DATE OF DECISION: November 24, 1995