

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Terry Ripple

95-01190

Name of Respondents

Kemper Securities, Inc.
Mark W. Purnell

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 8, 1995, Claimant Terry Ripple, who appeared Pro Se, alleged that Respondents Mark W. Purnell ("Purnell") and Kemper Securities, Inc. ("KSI"), recommended an over-concentration in one security in his IRA account. Claimant further alleged that in November, 1992, Respondent Purnell contacted him and advised him that Royal Appliance MFG ("RAM") was going to publish earnings shortly and that the earnings would be great, and strongly recommended that he invest in RAM. Claimant contended that on November 5, 1992, he purchased 1,000 shares of RAM and on February 24, 1993, he purchased an additional 600 shares. Claimant further contended that the price of RAM declined and he eventually sold all of his shares in November, 1994. As a result of the above, Claimant alleged that he has suffered a loss for which Respondents should be held liable.

Respondents Mark W. Purnell and Kemper Securities, Inc., through their representative, A. Brad Busscher, Esq., in-house counsel for KSI, Chicago, IL, maintained that at the outset of the broker-client relationship between Claimant and Respondents, Claimant specifically advised Respondent Purnell of his objective of focusing his investments on a concentrated position. Respondents further maintained that Claimant executed a questionnaire subsequent to his account opening wherein his objective became more speculative. Respondents contended that Respondent Purnell recommended an investment in RAM based on then-current information, which information indicated that RAM would appreciate in price. Respondents further contended that Respondent Purnell fully disclosed the risks and returns associated with Claimant's purchase of RAM shares. Respondents maintained that despite RAM's decline in price, Claimant authorized the purchase of additional shares for his account. As a result of the above, Respondents maintained that they should not be held liable for Claimant's loss.

RELIEF REQUESTED

Claimant Terry Ripple, requested \$10,000.00 in actual damages.

Respondents Mark W. Purnell and Kemper Securities, Inc., 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, Herbert Neuer, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 3, 1995, by Respondent Mark W. Purnell on April 18, 1995 and by Respondent Kemper Securities, Inc. on April 21, 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. Respondents Mark W. Purnell and Kemper Securities, Inc., are jointly and severally liable and shall pay to the Claimant Terry Ripple, \$587.00 in actual damages.
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 Terry Ripple, shall be retained by the NASD, Inc. Respondents Mark W. Purnell and Kemper Securities, Inc., are jointly and severally liable and shall pay to the Claimant Terry Ripple, \$75.00 as partial reimbursement of the filing fee.

AFFIRMATION

STATE OF KANSAS

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SS:

COUNTY OF OSAGE

I, ROBERT A. NEUM, do hereby affirm upon my oath as arbitrator that I am
the individual described herein and who executed this instrument, which is my award.



Signature of Arbitrator

DATE OF DECISION: September 25, 1995