

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Paul R. Thomas

95-01246

Name of Respondents

Thomas James Associates, Inc.
John Gorman
Chris C. Jansen

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 10, 1995, Claimant Paul R. Thomas, who appeared Pro Se, alleged that Respondents Thomas James Associates, Inc. ("TJA"), John Gorman ("Gorman"), and Chris C. Jansen ("Jansen"), high pressure sales tactics and their lack of "good faith" and due diligence in making investment recommendations caused him to purchase 1,500 shares of Immunotherapeutics ("IMTS") and 450 shares of Consolidated Technology Group ("CTG"). Claimant further alleged that Gorman first contacted him while employed by Hibbard Brown & Co ("HB"), which was in financial trouble and went out of business. Claimant contended that his account was transferred to TJA after HB closed and that Jansen contacted him from TJA as his new account executive recommending a new stock. Claimant further contended that he sold the previously bought shares and declined to purchase any new stock, and that as a result of the above, he has suffered a loss for which Respondents should be held liable.

Respondents Thomas James Associates, Inc., John Gorman, and Chris C. Jansen, through their representative, John S. Barr, of Maloney, Yeatts & Barr, located in Richmond, VA, maintained that Gorman never made any recommendations to Claimant regarding the account he held at TJA and, therefore, TJA cannot be held liable for any transactions done while Gorman was at another brokerage firm. Respondents further maintained that Claimant contacted Gorman while at HB, and expressed an interest in risky investments. Respondents contended that in accordance with Claimant's instructions, Gorman recommended IMTS and CTG shares which were purchased and were completely explained to the Claimant. Respondents further contended that when the

Claimant's account was transferred to TJA, Jansen took over as the account representative and sold the shares of IMTS and CTG as he was instructed by the Claimant. Respondents maintained that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimant Paul R. Thomas, requested \$8,509.25 in actual damages plus interest and punitive damages.

Respondents Thomas James Associates, Inc., John Gorman, and Chris C. Jansen, 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, Michel J. Landron, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 23, 1995, and by the Respondent Thomas James Associates, Inc., on April 13, 1995, and not by the Respondents John Gorman and Chris C. Jansen, as required by Sections 8 and 10 of the NASD Code of Arbitration Procedure.

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 Thomas James Associates, Inc. and John Gorman, are jointly and severally liable and shall pay to the Claimant Paul R. Thomas, \$8,509.25 in actual damages.
2. The Respondents Thomas James Associates, Inc. and John Gorman, are jointly and severally liable and shall pay to the Claimant Paul R. Thomas, interest at the rate of 3% per annum on the amount of \$5,467.50 from February 22, 1994, to the date of payment of the award.
3. The Respondents Thomas James Associates, Inc. and John Gorman, are jointly and severally liable and shall pay to the Claimant Paul R. Thomas, interest at the rate of 3% per annum on the sum of \$3,051.50 from April 4, 1994, to the date of payment of the award.
4. The claims of the Claimant Paul R. Thomas, against Respondent Chris C. Jansen, are dismissed in their entirety.

5. All other relief requests are denied.
6. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Paul R. Thomas, shall be retained by the NASD, Inc. The Respondents Thomas James Associates, Inc. and John Gorman, are jointly and severally liable and shall pay to the Claimant Paul R. Thomas, \$150.00 as reimbursement of the filing fee.

AFFIRMATION

I, MICHEL J. LANDRON, 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.



Michel J. Landron, Esq.

DATE OF DECISION: September 28, 1995