

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Wayne D. Gibb

95-01444

Name of Respondent

Patricia Ann Reed

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 22, 1995, Claimant, Wayne D. Gibb, who appeared Pro Se, alleged that Respondent, Patricia Ann Reed, improperly charged him a commission. Claimant further alleged that in January of 1990, he paid to the Respondent a 3.6% commission in rolling over an existing 403(b) retirement account into three new 403(b) accounts with the American Funds Family of Mutual Funds. Claimant contended that the funds purchased were AMCAP, Growth Fund of America and Europacific Growth and for each fund the commission was reflected in a higher share price than would have been the case had the shares been purchased at Net Asset Value. Claimant further contended that he also paid Respondent commissions on subsequent employee contributions to each of his accounts. Claimant alleged that he was unaware until late May of 1990 that, as a child of a Capital Group Retiree, he was entitled to purchase shares in any of the American Funds Family at Net Asset Value. Claimant further alleged that he had made his relationship clear to the Respondent before consummating his rollover. Claimant contended that Respondent has refused to refund the sales charges he paid her. As a result of the above, Claimant alleged that he has suffered a loss for which the Respondent should be held liable.

Respondent, Patricia Ann Reed, who appeared Pro Se, maintained that she was unaware of Claimant's eligibility to purchase without a sales charge and that the prospectus does not clearly state this. Respondent further maintained that American Funds retained part of the sales charge and the remainder went to TMI Equities, Inc. which paid her a total of \$1,564.16 which she was entitled to as compensation for her work. Respondent contended that American Funds subsequently agreed to reverse its portion of the sales charge. As a result of the above, Respondent maintained that she should not be held liable.

RELIEF REQUESTED

Claimant, Wayne D. Gibb, requested \$5,502.47 in actual damages, plus costs.

Respondent, Patricia Ann Reed, 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, Amy Seltzer, Ph.D, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant, Wayne D. Gibb, on March 20, 1995, and by the Respondent, Patricia Ann Reed, on June 14, 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 Claimant, Wayne D. Gibb, against Respondent, Patricia Ann Reed, 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, Wayne D. Gibb, shall be retained by the NASD, Inc. Respondent, Patricia Ann Reed, shall pay to the Claimant, Wayne D. Gibb, \$75.00 as reimbursement of one-half of the filing fee.

Page Three

Award 95-01444

AFFIRMATION

STATE OF

}
}

ss:

COUNTY OF

I, Amy Seltzer, 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.

Amy Seltzer
Signature of Arbitrator

DATE OF DECISION: October 31, 1995