

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

**In the Matter of the Arbitration Between**

**Name of Claimant**

**William R. Cargill**

**Name of Respondents**

**Joseph Roberts & Co., Inc.**

**Michael E. Knight**

**95-02819**

**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on June 9, 1995, Claimant William R. Cargill, who appeared Pro Se, alleged that Respondents Joseph Roberts & Co. ("JR") and Michael E. Knight ("Knight") made unauthorized trades in his account. Claimant further alleged that Knight took over his account at JR when his former broker, David Rist, left JR. Claimant contended that on August 17, 1994, he followed Knight's advice and sold all of his holdings to buy shares of Magellan Restaurant System ("Magellan"). Claimant further contended that on November 21, 1994, without his permission, Knight sold shares of Magellan and bought shares of Blue Chip Computerware. Claimant alleged that he called Knight on November 28, 1995 to ask about these trades, but that Knight never returned his calls. Claimant further alleged that on that same day and without authorization, Knight sold shares of Magellan and bought shares of American Resources of Delaware. Claimant contended that when he could not reach Knight to discuss these trades, he moved his account to Charles Schwab, and then sold all the shares in his account. Claimant further contended that the quality of the stock he was advised to sell was far greater than the quality of the stock he was advised to buy, and that as a result of the above, he has suffered a loss for which the Respondents should be held liable.

Respondents, Joseph Roberts & Co. and Michael Knight, through their representative, Paul Bazil, Esq., of Rickard & Djinis, located in Washington, D.C., maintained that the trades at issue were not unauthorized, and that Cargill received written confirmation of both trades. Respondents further maintained that Claimant suffered no losses in connection with these trades. Respondents contended that between November 29 and December 23, 1994, Magellan and Blue Chip experienced similar modest declines in market value and that American experienced a substantial increase in market value. Respondents further contended that JR and Knight did not engage in any fraudulent acts or wrongdoing in connection with Claimant's account. Respondents maintained that as a result of the above, they should not be held liable.

**RELIEF REQUESTED**

Claimant William R. Cargill, requested \$6,838.07 in actual damages.

Respondents Joseph Roberts & Co. and Michael Knight, requested that the claims of the Claimant be dismissed.

**AWARD**

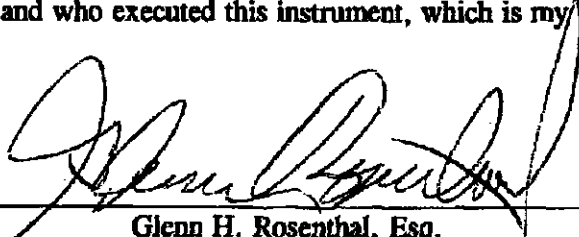
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Glenn H. Rosenthal, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 27, 1995, and not by the Respondents Joseph Roberts & Co. and Michael Knight, as required by Sections 12 and 13 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 Joseph Roberts & Co. and Michael Knight are jointly and severally liable and shall pay to the Claimant William R. Cargill, \$1,809.55 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 shall be retained by the NASD, Inc. The Respondents Joseph Roberts & Co. and Michael Knight are liable and shall pay to the Claimant William R. Cargill \$150.00 as reimbursement of the filing fee.

**AFFIRMATION**

I, GLENN H. ROSENTHAL, 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.

  
Glenn H. Rosenthal, Esq.

DATE OF DECISION: December 14, 1995