

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Linda Hughes Petty

95-03021

Name of Respondent

George E. Brooks  
Robert B. Thompson

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 19, 1995 Claimant with the N Linda Hughes Petty ("Claimant"), who appeared Pro Se, alleged that she held an IRA account, #K2 Petty ("Claim 90246 ZA, with Morehead Investment Advisors and that Respondent George E. Brooks ("Brooks"), the Morehead I account representative, mishandled her account by making unauthorized transactions and failing to keep up with her informed of the status of her IRA. Claimant further alleged that she made various requests to the representative, mish Brooks and that he failed to answer any requests and to send her account activity statements. Claimant he failed to contended that on February 3, 1994 she met with the Brooks and discovered that her account was not in February longer worth \$7,826.00 but rather \$1,487.20 and she stated to him that she expected reimbursement. \$7,826.00 but Claimant further alleged that Respondent stated he would "make things right" and he put it in writing at the time of her request. Claimant alleged that she had a meeting with Respondent Robert B. Thompson ("Thompson") and he assured her that this was not the first time this kind of thing had happened but that the situation had gone on too long and assured it would be handled the following week. Claimant further alleged that after writing a letter with a proposed payment schedule and not hearing from either Respondents, she contacted Brooks who was noncommittal and was informed that Thompson was out of town. Claimant contended that she has suffered a loss and as a result of the above, Respondents should be held liable.

Respondent George E. Brooks, who appeared Pro Se, maintained that in the Fall of 1983, Hal, Linda's former husband and Linda opened a joint account as husband and wife, began to make investments. Brooks further maintained that as he changed companies the Browns followed along and transferred their assets. Respondent contended that in April 1992, an attorney made a request to send copies of their assets so that a separation agreement could be made and their assets could be divided. Respondent further contended that the alleged unauthorized purchase of Wang stock was done pursuant to a Power of Attorney delegated to Hal by the Claimant and that he never received instructions to the contrary regarding the Power of Attorney. Respondent further maintained that he mailed the statements Claimant requested. Respondent contended that he did not know the Claimant's new address change until February of 1994 and that during the interim Hal indicated he was delivering the mail to her. Respondent alleged

that he made an offer to the Claimant regarding this matter based on the value of the IRA at the time of her separation agreement. Respondent further contended that she did not accept it and failed to show up for a subsequent meeting. Respondent further alleged that after the formation of Morehead Investment Advisors, he had nothing to do with the account and, that as a result of the above, he should not be held liable.

Respondent Robert B. Thompson, who appeared Pro Se, maintained that the complaint first came to his attention on August 31, 1994 when Brooks requested that he meet with Claimant to discuss the alleged unauthorized activities in her account. Thompson further maintained that his only purpose on that day was to serve as mediator and to work with Brooks to bring the situation to some resolve. Thompson contended that Brooks informed him that he would draft a settlement proposal. Thompson further contended that on or about November 11, 1994, he became aware of a letter from Claimant to Brooks which was quite surprising to him since he hadn't heard from Claimant or Brooks since that August meeting. Thompson maintained that he reminded Brooks that he should settle and that he should act expeditiously to Claimant's request. Claimant further maintained that he never heard anything else about the matter and that as a result of the above, he should not be held liable.

#### **RELIEF REQUESTED**

Claimant Linda Hughes Petty, requested \$7,826 in actual damages.

Respondents George E. Brooks And Robert B. Thompson, 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, Jeff R. Truluck, Esq. was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 16, 1995 and by Respondent Robert B. Thompson on August 3, 1995. Respondent George E. Brooks did not sign as required by sections 12 & 13 of the NASD, Inc. Code of Arbitration Procedure.

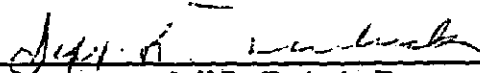
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Linda Hughes Petty against Respondent Bob B. Thompson are denied in their entirety.
2. The Respondent George E. Brooks, is liable and shall pay to the Claimant Linda Hughes Petty, \$7,756.25 in actual damages.
3. The parties shall bear their respective costs.

4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Linda Hughes Petty, shall be retained by the NASD, Inc. The Respondent George E. Brooks, is liable and shall pay to the Claimant Linda Hughes Petty, \$150.00 as reimbursement of the filing fee.
5. All other relief requests are denied.

**AFFIRMATION**

I, **JEFF R. TRULUCK, 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.



Jeff R. Truluck, Esq.

DATE OF DECISION: February 16, 1996