

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Mark Taft

95-03320

Name of Respondent

L.C. Wegard & Co., Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 11, 1995, Claimant Mark Taft, who appeared Pro Se, alleged that Respondent L.C. Wegard & Co., Inc. ("Respondent"), sold him 1,000 shares of PDK Labs, Inc. ("PDK") and that its representative Andrew Keach ("Keach") misrepresented the risks of the stock. Claimant further alleged that PDK was unsuitable for him because of his financial position in that he makes less than \$30,000.00 a year and has less than \$3,000.00 in the bank. Claimant contended that Respondent said that PDK was going to go up by four to five dollars per share because of an impending acquisition. Claimant maintained that as a result of the above, he has suffered a loss for which the Respondent should be held liable.

Respondent L.C. Wegard & Co., Inc., through its representative and in-house counsel, William Brian Erb, Esq., maintained that Keach contacted Claimant and described Respondent's business while obtaining an Claimant's investor profile. Respondent further maintained that Claimant had growth as an investment goal and that his 1,000 share purchase of PDK was consistent with this goal. Respondent contended that Claimant ratified the trade by paying for it in a timely fashion. Respondent further contended that PDK fell in value because of a collapse of a large New York City based investment banking firm but that Claimant never complained of the unrealized losses. Respondent maintained that as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimant Mark Taft, requested \$1,736.00 in actual damages.

Respondent L.C. Wegard & Company, 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, Mary C. Kelleher, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on July 6, 1995, and not by the Respondent as is 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 Respondent L.C. Wegard & Co., Inc., is liable and shall pay to the Claimant Mark Taft, \$1,585.00 in actual damages.
2. The Respondent L.C. Wegard & Co., Inc., is liable and shall pay to the Claimant Mark Taft, \$126.00 in interest covering the period from July 1994 to July 1995.
3. The parties shall bear their respective costs.
4. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Mark Taft, shall be retained by the NASD, Inc. The Respondent L.C. Wegard & Co., Inc., shall pay to the Claimant Mark Taft, \$25.00 as reimbursement of one-half of the filing fee.

AFFIRMATION

I, **MARY C. KELLEHER**, 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.



Mary C. Kelleher

DATE OF DECISION: March 28, 1996