

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Louise Pope

95-03876

Name of Respondent

Kemper Securities, Inc. n/k/a Everen Securities  
Anthony S. Rockwell

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 10, 1995, Claimant Louise Pope, ("Claimant") who appeared Pro Se, alleged that Respondents Kemper Securities, Inc. ("Kemper"), and Anthony S. Rockwell ("Rockwell"), recommended she should purchase Pilgrim Adjustable Rate Securities Trust IV ("Trust") which she did to her detriment. Claimant further alleged that she had a history of low risk investing with Respondents and in mid August of 1994 she spoke with Rockwell explaining she had \$15,000.00 that she wanted to invest in something with short term interest growth and which allowed access to her cash. Claimant contended Rockwell recommended the Trust but never provided her with a prospectus nor did he explain the risk feature of the investment. Claimant further contended that she discovered that there were serious problems with the Trust's management which caused most of the people holding Trust shares to sell. Claimant alleged that as a result of the above, she has suffered a loss for which the Respondents should be held liable.

Respondents Kemper Securities, n/k/a, Everen Securities, and Anthony S. Rockwell, through their representative and in-house counsel, Don Andrews, Esq., maintained Claimant is a highly sophisticated investor with significant assets who rigidly controlled and received profits from her account. Respondents further maintained Claimant was sent information in May 1995 regarding the nature of the Trust and telephoned Rockwell in August expressing her desire to purchase shares. Respondents contended that the Trust was considered conservative even though it was hit hard by rising interest rates in August 1995, rates which negatively affected the price of many mutual funds. Respondents further contended that Claimant is looking to them to guarantee this purchase yet has not complained about the several investments which have been prosperous. Respondents maintained that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimant Louise Pope, requested \$3,852.25 in actual damages plus costs.

Respondents Kemper Securities, Inc. n/k/a Everen Securities, and Anthony S. Rockwell, 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, George A. Beck, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Louise Pope, on July 7, 1995, and by the Respondent Kemper Securities, Inc. n/k/a Everen Securities, on October 2, 1995, and not by Respondent Anthony S. Rockwell, 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 Kemper Securities, Inc. n/k/a Everen Securities, and Anthony S. Rockwell, are jointly and severally liable and shall pay to the Claimant Louise Pope, \$3,852.25 in actual damages.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Louise Pope, shall be retained by the NASD, Inc. The Respondents Kemper Securities, Inc. n/k/a Everen Securities, and Anthony S. Rockwell, are jointly and severally liable and shall pay to the Claimant Louise Pope, \$62.50 as reimbursement of one-half of the filing fee.

**AFFIRMATION**

I, **GEORGE A. BECK, 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.

A handwritten signature in black ink, appearing to read "George A. Beck", written over a horizontal line.

George A. Beck, Esq.

DATE OF DECISION: February 14, 1996