

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Dan Beech

95-03939

Name of Respondent

M. Rimson & Co., Inc.
Chris Kovacevich

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 15, 1995 Claimant Dan Beech, who appeared Pro Se, alleged that Respondent M. Rimson & Co., Inc., through its account executive, Respondent Chris Kovacevich ("Kovacevich"), recommended unsuitable investments which were not in accordance with his stated investment objective of safety of principal. Claimant further alleged that Kovacevich made misrepresentations and omissions regarding the nature of his investment in World Entertainment Concepts, Inc., ("WEC") and Canton Industrial Corp., ("Canton"). Claimant contended that M. Rimson and Co. Inc. was a market maker in this stock and that Respondents virtually guaranteed a high rate of return. Claimant further contended that not only could he not find a listing for WEC and Canton, he never received monthly statements detailing their market value. Claimant alleged that he called Kovacevich several times and was told that his investments were safe. Claimant further alleged that on April 22, 1994, he received a phone call from Respondents telling him to sell his shares of WEC immediately. Claimant contended that after he lost \$5,240.00 he transferred his account and discovered that his shares of Canton were virtually worthless, and that as a result of Respondents' wrongdoing, he has suffered a loss for which they should be held liable.

Respondents M. Rimson & Co., Inc., and Chris Kovacevich failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Dan Beech, requested \$7,618.98 in actual damages.

Respondents M. Rimson & Co., Inc., and Chris Kovacevich failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent M. Rimson & Co., Inc., was served by regular mail and given an opportunity to respond, which it failed to do. In addition, an overdue answer notice and notice of the identity of the Arbitrator were sent certified mail and service was effected as evidenced by the signed return receipt card on file at the NASD.

Pursuant to the By-laws of the NASD, the Arbitrator determined that Respondent M. Rimson & Co., Inc., had notice of the claim, and was required to submit to this arbitration proceeding; and is therefore bound by the Arbitrator's ruling and determination.

Although reasonable attempts at service were made, service was not effected upon Respondent Chris Kovacevich.

AWARD

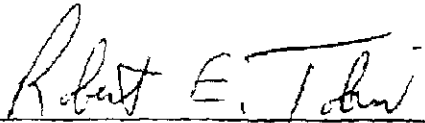
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Robert E. Tobin, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Dan Beech on July 17, 1995, but not by the Respondents M. Rimson & Co., Inc., and Chris Kovacevich 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. Respondent M. Rimson & Co., Inc., is liable and shall pay to Claimant Dan Beech \$5,240.00 in actual damages.
2. The Claims of Claimant Dan Beech against Chris Kovacevich are dismissed without prejudice.
3. 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. Respondent M. Rimson & Co., Inc. is liable and shall pay to Claimant Dan Beech \$75.00 as reimbursement for one-half of the filing fee.

AFFIRMATION

I, **ROBERT E. TOBIN**, 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.



Robert E. Tobin

DATE OF DECISION: April 23, 1996