

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

James W. Iddings

95-03952

Name of Respondents

Wheat First Securities, Inc.
Vanguard Marketing Corporation

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 16, 1995, Claimant James W. Iddings, who appeared Pro Se, alleged that Respondents Wheat First Securities, Inc. ("WFSI") and Vanguard Marketing Corporation ("VMC") failed to inform him that his purchase of 2,998 shares of Sears Preferred Stock on May 24, 1994 would not qualify him for a cash dividend, as the security had recently gone "ex-dividend". Claimant further alleged that Respondent VMC failed to process Claimant's Securities Account Application, which he mailed on May 20 in a timely fashion, thereby causing the situation where Claimant did not qualify for said dividend. Claimant contended that as a result of the Respondents' wrongdoing, he has suffered damages for which the Respondents should be held liable.

Respondents Wheat First Securities, Inc. and Vanguard Marketing Corporation, through their compliance manager, Richard J. McHale, Esq., maintained that as a limited or discount broker, VMC does not provide investment advice to clients, thus had no obligation to Claimant regarding the ex-dividend status of the proposed investment. Respondents further maintained that Claimant was allowed to purchase the security at a price that was already reduced by the amount of the cash dividend, and that Claimant approved and ratified the purchase at the time of the transaction. Respondents contended that there was no operating delay in the establishment of Claimant's account. Respondents further contended that no wrongdoing was committed, and therefore, they should not be held liable in this matter.

RELIEF REQUESTED

Claimant James W. Iddings, requested \$2,810.62 in actual damages, plus interest.

Respondents Wheat First Securities, Inc. and Vanguard Marketing Corporation, requested that the claims of the Claimant be dismissed in their entirety.

AFFIRMATION

STATE OF ANYLAND

} ss:
}

COUNTY OF ANNE MORDELL

I, PAUL F. JAMES, 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.

Paul F. James
Signature of Arbitrator

DATE OF DECISION: February 26, 1996