

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Nell Crawford

95-04120

Name of Respondents

Linsco/Private Ledger Corp.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 29, 1995, Claimant Nell Crawford, ("Claimant"), who appeared Pro Se, alleged that she held account #640-213906 with Respondent, Linsco/Private Ledger Corp., ("Respondent") and that Respondent's representative, Timothy Randall ("Randall"), strongly recommended that she should invest in Stelway Food Service Inc. stock ("SFSI") in which she followed to her detriment. Claimant further alleged that Randall, convinced her to purchase 1500 SFSI shares in March of 1991, and another 500 shares in June. Claimant contended that Randall was negligent in his SFSI recommendations because she had informed him that she desired conservative investments to supplement her sole source of income, Social Security benefits. Claimant further contended that Randall was negligent when he advised her to hold on to her stocks rather than sell her stocks while the market value was steadily decreasing. Claimant alleged that Randall personally borrowed \$2,500.00 from her which is prohibited by the policies of Respondent and the SEC. Claimant further alleged that Respondent was negligent in failing to supervise Randall's activities and that as a result of the above, she has suffered a loss for which the Respondent should be held liable.

Respondent, Linsco/Private Ledger Corp., through its representative and in-house counsel, Darlene R. Kowalczyk, Esq., maintained that Claimant represented to them that her investment objectives included short-term trading, commodities, option trading and businessman's risk. Respondent further maintained that neither it nor Randall represented to the Claimant that she was guaranteed to make money. Respondent contended that Claimant made an initial purchase of the Stelway Food Service Corp. stocks and after the stock rose in value, Claimant, based on her own decision, made a second \$1,300.00 purchase of the SFSI. Respondent further contended that during the fourteen month period where the Stelway stocks declined, Claimant never sold her stocks and failed to mitigate her damages. Respondent maintained that under the applicable statute of limitations and doctrine of laches this claim is barred. Respondent further maintained that they had no knowledge of the personal loan between the Claimant and Randall until March 3, 1995, when soon thereafter he was terminated for a violation of company policy. Respondent contended that it was not responsible to repay the "personal" loan between the Claimant and Randall, a feature of the loan of which the Claimant knew and is demonstrated through her letters. Respondent further contended as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimant, Nell Crawford, requested \$7,320.00 in actual damages plus punitive damages, costs and interest.

Respondent Linsco/Private Ledger Corp., requested that the claims of the Claimant be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

All reasonable attempts to notify Timothy Randall of this matter were unsuccessful.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Louis J. Weber, Jr., Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Nell Crawford, August 22, 1995 and by the Respondent Linsco/Private Ledger Corp., September 18, 1995.

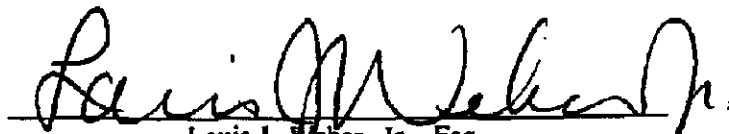
And, the Arbitrator, Louis J. Weber, Jr., Esq., having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

Prior to a determination of the merits of this matter, the Claimant Nell Crawford, withdrew her claims against Respondent Timothy Randall. The Respondent Linsco/Private Ledger Corp., is liable and shall pay to the Claimant Nell Crawford, \$5,953.57 in actual damages.

3. The parties shall bear their respective costs.
4. All other reliefs requested are denied.
5. 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. The Respondent Linsco/Private Ledger Corp., shall pay to the Claimant Nell Crawford, \$75.00 as reimbursement for one-half of the filing fee.

AFFIRMATION

I, LOUIS J. WEBER, JR., 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.


Louis J. Weber, Jr., Esq.

DATE OF DECISION: February 27, 1996