

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Anne Jones Sweeney

95-04321

Name of Respondent(s)

Alex Brown & Sons Incorporated  
William Hatter

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on September 11, 1995, Claimant Anne Jones Sweeney, who appeared Pro Se, alleged that Respondent Alex Brown & Sons ("Alex Brown"), through its representative, William Hatter ("Hatter"), failed to properly advise her when her investments lost value. Claimant further alleged that in January 1992, she followed Hatter's advice and purchased a variety of stocks, including 100 shares of Synergen. Claimant contended that Hatter had set a precedent and always called her if one of her investments declined. Claimant further contended that in March of 1994, she again followed Hatter's advice, as she had in the past, and purchased 405 shares Genta for her self-directed IRA. Claimant alleged that she did not scrutinize her account statements because Hatter had always contacted her if there was a problem. Claimant further alleged that the value of both Synergen and Genta declined and that Hatter never contacted her again, and that as a result of the above, she has suffered a loss for which the Respondents should be held liable.

Respondents Alex Brown and Sons, Inc. and William Hatter, through their representative and in-house counsel, Allyn M. O'Connor, Esq. maintained that Claimant opened accounts at Alex Brown in 1992 for speculative investments, and that Hatter serviced these accounts. Respondents further maintained that upon Hatter's recommendations, Claimant purchased 100 shares of Synergen, which she held until December, 1994, and 405 Shares of Genta, which she held until May, 1995. Respondents contended that during these time periods, Claimant received twenty-four account statements for Synergen and six account statements for Genta, which clearly reflected the performance of her investments. Respondents further contended that by Claimant's own admission, she never reviewed the statements, despite having ample opportunity to do so, and that because she did not review her statements, she failed to detect the decline of her investments and act to mitigate her damages. Respondents maintained that they fulfilled their obligations to promptly execute orders and provide account information, and that as a result, they should not be held liable for Claimant's losses incurred by her own neglect.

**RELIEF REQUESTED**

Claimant Anne Jones Sweeney requested \$9,348.08 in actual damages.

Respondents Alex Brown and Sons, Inc., and William Hatter, requested that the claims of the Claimant be dismissed, and that they be awarded their costs.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Margaret M. Werneth, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 5, 1995 and by the Respondents Alex Brown and Sons, Inc. and William Hatter on November 17, 1995.

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 claims of the Claimant Anne Jones Sweeney against Respondents Alex Brown & Sons, Inc. and William Hatter are dismissed in their entirety.
2. 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.

AFFIRMATION

STATE OF

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SS:

*Baltimore*

COUNTY OF

I, *Margaret Wunster*, 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.

*Margaret Wunster*

Signature of Arbitrator

DATE OF DECISION: April 30, 1996