

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Dennis J. Haglan and Patricia L. Palacio

95-04703

Name of Respondent

Brown and Company Securities Corporation

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 4, 1995, Claimants, Dennis James Haglan and Patricia Lewis Palacio ("Claimants"), alleged that Respondent Brown and Company Securities Corporation ("Respondent"), failed to inform them that the security they were purchasing was not marginable. Claimants further alleged that they placed an order to purchase 1,000 shares of Symetrics Industries ("SYMT") believing it to be a marginable stock. Claimants contended that later that day, they received a confirmation call that the order was filled, but no mention of insufficient funds in their account was made. Claimants further contended that they left later that day for vacation and upon their return, they learned that Respondent had left several messages. Claimants alleged that when they called on August 7, 1995, they were informed that the SYMT stock had been sold for a loss. Claimants further alleged, that as a result of the above, they have suffered a loss for which Respondent should be liable.

Respondent, Brown and Company Securities Corporation, maintained that on July 27, 1995, Claimants placed an order to buy 1,000 shares of SYMT and the trade was executed per Claimants' instructions. Respondent further maintained that it made four attempts to contact Claimants to tell them there was a margin call. Respondent contended that after the fourth attempt they were required by Regulation T to liquidate the transaction and as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimants, Dennis James Haglan and Patricia Lewis Palacio, requested \$2,233.00 in actual damages.

Respondent, Brown and Company Securities Corporation, 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, Marshall Passman, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on Dennis James Haglan and Patricia Lewis Palacio,

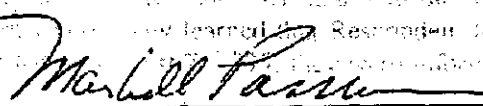
on September 28, 1995 and by the Respondent Brown and Company Securities Corporation, on November 6, 1995.

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 Claimants Dennis James Haglan and Patricia Lewis Palacio, against Respondent Brown and Company Securities Corporation, are denied in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Dennis James Haglan and Patricia Lewis Palacio, shall be retained by the NASD, Inc. Respondent Brown and Company Securities Corporation, shall pay \$25.00 as reimbursement of one-half of the filing fee.

AFFIRMATION

I, **MARSHALL PASSMAN**, 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.



Marshall Passman

DATE OF DECISION: March 14, 1996