

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Nadine Stubbs/Susan Fought/Joseph Stubbs

95-04837

Name of Respondents

Interstate/Johnson Lane
Paul J. Marshall

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 12, 1995 Claimants Nadine Stubbs ("N. Stubbs"), Susan Fought and Joseph Stubbs ("Claimants"), who appeared Pro Se, alleged that Respondents Interstate/Johnson Lane ("IJL") through its representative Respondent Paul J. Marshall ("Marshall"), gave her advice which was inappropriate for N. Stubbs' age and situation in life. Claimants further alleged that N. Stubbs agreed to open a margin account but did not understand the characteristics of the account such as interest charges. Claimants contended that between December 1991 and November 1993 Respondent Marshall made transactions of 1000 shares of Home Depot, 1000 shares of Nations Bank, 3000 shares of Burlington Industries Equity, 4000 shares of Ladd Furniture, 1000 shares of Hyperion 1999 Term Trust Inc., 600 shares of Prudential Utility Fund and 500 shares of Prudential Global Equity Fund. Claimants further contended that N. Stubbs complained to the brokerage firms about the transactions but was never assisted in resolving her disputes. Claimants alleged that as a result of the above, the Respondents should be held liable.

Respondents Interstate/Johnson Lane and Paul J. Marshall, through their representative and in-house counsel, Pamela P. Warnement, Esq., maintained that the Claimant's did not have a discretionary account and all transactions were fully discussed and approved before the trade. Respondents further maintained that Claimants were sent trade confirmations and monthly statements summarizing account activity. Respondents contended that Claimants signed the margin account agreement and traded without complaint understanding the risks associated with margin trading. Respondents further contended that Marshall made no misrepresentations or omissions. Respondents maintained that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimants Nadine Stubbs, Susan Fought and Joseph Stubbs, requested \$8,899.36 in actual damages plus punitive damages.

Respondents Interstate/Johnson Lane and Paul J. Marshall, 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, Glenn A. Delk, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on October 6, 1995, and by the Respondent Interstate/Johnson Lane on December 18, 1995 and Respondent Paul J. Marshall on December 15, 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 Nadine Stubbs, Susan Fought and Joseph Stubbs, against Respondents Interstate/Johnson Lane and Paul J. Marshall are denied in their entirety.
2. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Nadine Stubbs, Susan Fought and Joseph Stubbs, shall be retained by the NASD, Inc.

3. All other relief requests are denied.

AFFIRMATION

I, **GLENN A. DELK, 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.


Glenn A. Delk, Esq.

DATE OF DECISION: February 29, 1996