

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Marilyn H. Montuori

95-04938

Name of Respondents

Citicorp Investment Services
Scott Marsden
Stephen Victor

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 18, 1995 Claimant Marilyn H. Montuori ("Claimant"), who appeared Pro Se, alleged that she held an account with Respondent Citicorp Investment Services ("CIS") and that her account representative Respondent Scott Marsden ("Marsden"), recommended the Putnam US Government Income Trust Class B ("Putnam"), an unsuitable investment as it was not in accordance with her stated investment objectives. Claimant further alleged that her investment objective was to increase her monthly income. Claimant contended that Marsden recommended Putnam saying it would keep her money safe at a low risk, but with some fluctuation. Claimant further contended that when she looked at her account statement and realized that the value of her account had decreased by \$291.20, she contacted Marsden for an explanation. Claimant alleged that she did not receive a prospectus for Putnam until she had already made the investment. Claimant further alleged that after several attempts to contact Marsden, Respondent Stephen Victor ("Victor") contacted her to answer her questions. Claimant contended that she suffered a \$3,378.91 decrease in the invested principal and had to pay a \$3,839.25 deferred sales charge when she sold Putnam and as a result of the above, she has suffered a loss for which Respondents should be liable.

Respondents Citicorp Investment Services, Scott Marsden and Stephen Victor ("Respondents") through their representative and counsel, Joseph Buckley, Esq., of Sills, Cummis, Zuckerman, Radin, Tischman, Epstein & Gross, located in Newark, New Jersey, maintained that based on Claimant's investment objectives, Marsden recommended that she consider a long term investment for approximately five years in Putnam. Respondents further maintained that Marsden explained to Claimant that investors in Putnam pay a sales charge at the time the investor sells her shares not at the time of purchase. Respondents contended that Claimant signed an Investment Acknowledgment in which she stated that she understood the nature of her investment and that the value of the investment would fluctuate. Respondents further contended that for the period ending July 30, 1993, Claimant's account statement did not reflect a loss of \$219.20, but reflected that the value of her principal was greater than her initial investment and a total of \$844.91 in earned dividends. Respondents maintained that contrary to CIS' recommendation that

Claimant not sell her shares, she and Victor agreed that she would transfer her shares directly to Putnam rather than maintain any further relationship with CIS. Respondents further maintained that they should not be responsible for any decisions made by the Claimant once she closed her account at CIS and as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimant Marilyn H. Montuori, requested \$7,227.16 in actual damages,

Respondents Citicorp Investment Services, Scott Mardsen and Stephen Victor, 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, Janet Thomas Johnson, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Marilyn H. Montuori on November 15, 1995 and by the Respondents Citicorp Investment Services on January 11, 1996, Scott Mardsen on January 10, 1996 and Stephen Victor on January 11, 1996.

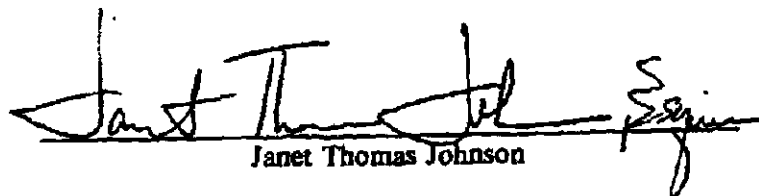
And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

The claims of the Claimant Marilyn H. Montuori against Respondents Citicorp Investment Services, Scott Mardsen and Stephen Victor are denied 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

I, JANET THOMAS JOHNSON 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.


Janet Thomas Johnson

DATE OF DECISION: April 19, 1996