

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Carl T. Coe

95-05058

Name of Respondents

J. C. Bradford & Co.
David W. Svete

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 25, 1995, Claimant Carl T. Coe ("Claimant"), through his representative and counsel, James E. Jasinski, Esq., of UAW-GM Legal Services Plan, located in Dayton, Ohio, alleged that Respondent J.C. Bradford & Co. ("JCB"), through its representative and his account executive, Respondent David W. Svete ("Svete"), misrepresented the nature of an investment. Claimant further alleged that in December of 1992 he met with Svete to develop an investment strategy for funds from a whole life insurance policy. Claimant contended that on January 5, 1993, Svete recommended that he use the funds, in large part, to purchase a variable life insurance policy. Claimant further contended that Svete masked the variable life policy as a mutual fund, and further, he was provided documents describing the plan which did not reflect the actual investment. Claimant alleged that during the second meeting he signed a largely blank document which was used to purchase the variable life policy although none of the essential elements of the policy, such as cost and coverage amounts, were discussed. Claimant further alleged that upon receipt of the policy he immediately complained to Svete. Claimant contended that he never received a prospectus although the statement indicates he did. Claimant further contended that as a result of the above, he has suffered a loss for which the Respondents should be held liable.

Respondent J.C. Bradford & Co. through its representative and in-house counsel, Claude O. Ramer, II, Esq., maintained that Claimant's claim is essentially that he signed a \$250,000.00 life insurance policy, took the required physical, paid 12 months of premiums and now wants it to pay him the difference between the costs of this policy and one for significantly less coverage based on the allegation that he did not want the \$250,000.00 policy. Respondent further maintained that Claimant signed the contract and he should be required to abide by its terms as it could not operate if customers could simply disavow their agreements. Respondent contended that as a result of the above, it should not be held liable.

Respondent David W. Svete through his representative and counsel, Dennis J. Concilla, Esq., of Carlile Patchen & Murphy, located in Columbus, Ohio, maintained that he fully discussed the policy with the Claimant during their December 1992 meeting. Respondent further maintained that Claimant received

the policy on January 25, 1993 and did not contact him until February 15. Respondent contended that he met with Claimant shortly after the February 15, phone call and Claimant never expressed dissatisfaction, but to the contrary, he recommended additional business. Respondent further contended that he relied on the Claimant's representations of what he desired from his investment. Respondent maintained that as a result of the above, he should not be held liable.

RELIEF REQUESTED

Claimant Carl T. Coe requested \$7,843.71 in actual damages.

Respondents J.C. Bradford & Co. and David W. Svete requested that the claims of the Claimant be dismissed.

AWARD

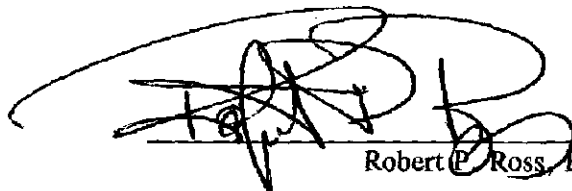
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Robert P. Ross, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 17, 1995 and by the Respondent J.C. Bradford & Co., on December 12, 1995, and by Respondent David W. Svete on December 14, 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 Carl T. Coe against Respondent J.C. Bradford & Co and David W. Svete 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, **ROBERT P. ROSS, 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.


Robert P. Ross, Esq.

DATE OF DECISION: May 7, 1996