

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

Stanley and Joan Karasick and Bette Ann Leventhal

95-05123

Name of Respondent

Denise Brooke Bedingfield

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 30, 1995, Claimants Stanley and Joan Karasick and Bette Anne Leventhal ("Claimants"), alleged that Respondent Denise Brooke Bedingfield ("Respondent"), their account executive at Fidelity Portfolio Advisors, mismanaged their portfolio to their detriment. Claimants further alleged that the literature they received regarding their investment claimed that allocation in investment accounts would be changed based on the expectation of risks and rewards, and that the typical allocation for their portfolio would be 20% Stock, 30% Bond, and 50% Short Term. Claimants contended that three months after opening the account, it lost value rapidly and that they contacted Respondent to inquire as to why the bond portion of their portfolio was such a high percentage. Claimants further contended that it was at that time that they were informed that only Bob Beckwitt determined the allocations and that the account executive had no impact in their decision. Claimants alleged that they were also surprised to discover that Mr. Beckwitts "Quarterly Investment Update" had been negative on the outlook for Bonds. Claimants further alleged that Fidelity's responses to their complaints have been inaccurate and evasive, and that their portfolio was mismanaged, and therefore, they have suffered a loss for which the Respondent should be held liable.

Respondent Denise Brooke Bedingfield, maintained that Claimants' dispute is really with PAS, a service of Strategic Advisors, Inc. and not with Brooke Bedingfield. Respondent further maintained that Claimants' prior arbitration claim filed with PAS was removed from the NASD docket due to the fact that PAS is not a member firm. Respondent contended that prior to opening their account, Claimants provided with a detailed questionnaire, an "Answer Book," and a portfolio recommendation which they accepted. Respondent further contended that PAS disclosed that the investment management team made all of the asset allocations decisions, and that the literature described and differentiated the roles of the investment management team and account executives. Respondent further contended that she did not control the investment decisions in dispute, that the allocations were proper and authorized, and that she should not have to absorb the Claimants' market losses. Respondent maintained that as a result of the above, she should not be held liable.

**RELIEF REQUESTED**

Claimants Stanley and Joan Karasick and Bette Ann Leventhal, requested \$8,980.60 in actual damages.

Respondent Denise Brooke Bedingfield, requested that the claims of the Claimants be dismissed.

**AWARD**

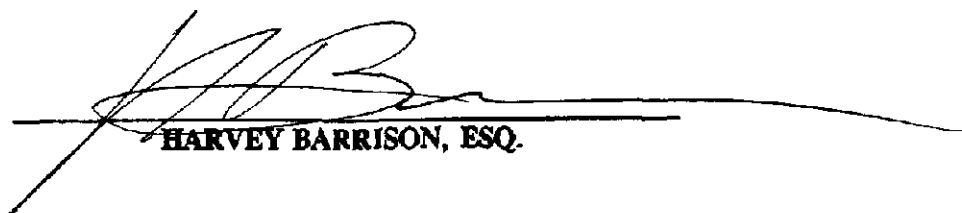
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Harvey Barrison, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Stanley and Joan Karasick, on October 13, 1995, and Bette Anne Leventhal, on October 17, 1995, and by the Respondent Denise Brooke Bedingfield, 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 Claimants Stanley and Joan Karasick and Bette Ann Leventhal, against the Respondent Denise Brooke Bedingfield, are dismissed.
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 Claimants Stanley and Joan Karasick and Bette Ann Leventhal, shall be retained by the NASD, Inc.

**AFFIRMATION**

I, **HARVEY BARRISON, 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.

  
**HARVEY BARRISON, ESQ.**

**DATE OF DECISION:** May 9, 1996