

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimants

James S. and Susan A. Thompson

95-05741

Name of Respondent

Investors Associates, Inc.

---

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 6, 1995 Claimants James S. and Susan A. Thompson ("Claimants"), who appeared Pro Se, alleged that Respondent Investors Associates, Inc., ("Respondent") made an unauthorized purchase of 1500 shares of American Bingo for their account. Claimant James A. Thompson ("J. Thompson") further alleged that on January 18, 1995, he instructed his account executive, Mr. Stanton, to sell his shares of Chromatics, Gentner Communications Corp., and Gentner Communications Corp., Warrants, and forward the cash proceeds to them, but instead the proceeds were used to purchase the 1500 shares of American Bingo without authorization. Claimant J. Thompson contended that when he contacted Stanton, he was told the purchase was an error and would be corrected. Claimants further contended that Respondent failed to disclose material facts by failing to provide a prospectus for American Bingo. Claimants alleged that due to Respondent's wrongdoing, they have suffered a loss, for which Respondent should be held liable.

Respondent Investors Associates, Inc., through its representative and counsel, M. David Sayid, Esq. of Sayid and Associates of Hackensack, New Jersey, maintained that J. Thompson was "perturbed" by the de-valuation of his securities holdings and requested recommendations from Mr. Stanton. Respondent further maintained that Mr. Stanton recommended the purchase of American Bingo and J. Thompson followed that advice and authorized the purchase of 1500 shares. Respondent contended that during the first week of February, J. Thompson instructed Stanton to sell his holdings to cover his purchase of AB. Respondent further contended that the price of the stock dropped and almost seven months passed before Claimants contacted the Compliance Department to complain. Respondent maintained that Claimants knew exactly what they were buying and selling, and that it committed no wrongdoing; therefore the claims against it should be dismissed.

**RELIEF REQUESTED**

Claimants James S. and Susan A. Thompson, requested \$4,410.38 in actual damages.

Respondent Investors Associates, Inc., requested that the claims of the Claimant be dismissed, and that it be awarded attorneys' fees and expenses.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, George A. Sellnau, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants James S. and Susan A. Thompson on December 1, 1995 and by the Respondent Investors Associates, Inc., on January 9, 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:

1. The claims of the Claimants James S. and Susan A. Thompson against Respondent Investor Associates, Inc., are dismissed in their entirety.
2. The parties shall bear their respective costs and attorneys' fees.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

**AFFIRMATION**

I, **GEORGE A. SELLNAU, 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.

*George A. Sellnau*

---

George A. Sellnau, Esq.

DATE OF DECISION:      April 25, 1996