

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Delores Miller

95-06079

Name of Respondent

Raymond, James & Associates, Inc.

CASE SUMMARY

In a case filed with the National Association of Securities Dealers, Inc. on December 29, 1995, claimant Delores Miller, who appeared Pro Se, alleged that respondent Raymond, James & Associates, Inc. made investments that were not suited to her financial circumstances and age. Claimant further alleged that on January 21, 1993, she filled out a Customer Agreement form and requested no or low risk investments. Claimant also alleged that on January 21, 1993, she invested \$110,00.00 in two mutual funds and one unit investment trust. Claimant asserted that her net worth at the time of these investments was \$150,000.00, which included her personal residence. Claimant further asserted that the mutual funds, while producing a modest income, seemed to be too aggressive. Claimant also asserted that the unit investment trust has gone down from \$0.99 a share to \$0.72 a share. Claimant contended that she was not aware that her principal was at risk. Claimant further contended that Mortgage Securities Trust CMO #12 Intermediate, which suffered the worst loss, has not increased much to this day. Claimant also contended that she realizes that with investments there are certain risks, but considering her age and medical disabilities, she feels that these investments were unsuitable for her.

Respondent Raymond, James & Associates, Inc., ("respondent"), through its representative and in-house counsel John N. Critchlow, maintained that the securities recommended to claimant were completely consistent with her investment objectives. Respondent further maintained that the recommendations made to claimant were prudent in light of the relevant information available to investment advisors at the time. Respondent also maintained that on January 21, 1993, claimant completed a New Account form, wherein she stated that her net worth as \$150,000.00, not including \$28,000.00 claimant had set aside for other purposes. Respondent contended that claimant's primary investment objective was income. Respondent further contended that Sandra Yelensky (Ms. Yelensky) the registered representative who handled the claimant's account, met several times with claimant before they made her investments. Respondent also contended that Ms. Yelensky explained both the general and specific characteristics of Investment Company of America ("ICA") mutual fund, American Balanced mutual fund and Mortgage Securities Trust CMO #12 Intermediate. Respondent maintained that claimant discussed Ms. Yelensky's recommendation with her cousin and attorney prior to making her investments. Respondent further maintained that claimant invested during a period that witnessed the worst bond crash since 1927. Respondent also maintained that the bond market debacle of 1993-94 was so severe that

investors in the safest bonds suffered substantial losses. Respondent contended that the losses about which claimant is complaining about were not a result of any deficiency in the recommended securities, but instead was the result of a market force that was unforeseen by every economist and money manger in the United States.

RELIEF REQUESTED

Claimant Delores Miller requested \$10,000 in actual damages.

Respondent Raymond, James & Associates requested that the claims of the claimant be dismissed in their entirety.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure a single Public Arbitrator, Norman Bristol, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant Delores Miller on December 19, 1996 and Raymond, James & Associates on May 28, 1996, as required by Sections 12 and 13 of the NASD Code of Arbitration Procedure.

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 claimant Delores Miller against the respondent Raymond, James & Associates, Inc. are dismissed 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 Delores Miller shall be retained by the NASD, Inc.

AFFIRMATION

STATE OF MICHIGAN

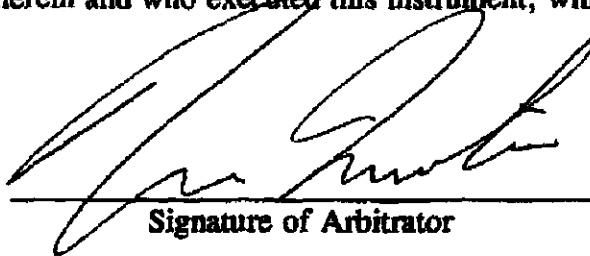
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SS:

MSD
No 95-06079

COUNTY OF KALAMAZOO

I, Norman Bristol, 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.



Signature of Arbitrator

DATE OF DECISION: August 28, 1996