

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Despina Tunsoiu

96-00323

Name of Respondent

Chemical Investment Services Corp.

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**REPRESENTATION**

For Claimant Despina Tunsoiu ("Tunsoiu") appeared Stanley M. Glasser, Esq., located in Lake Success, New York.

For Respondent Chemical Investment Services Corp. ("Chemical") appeared Frank J. Cuccio, Esq., of the law offices of Bressler, Amery and Ross, located in Morristown, New Jersey.

**CASE INFORMATION**

The Statement of Claim was filed on January 22, 1996.

Claimant's Submission Agreement was signed on January 18, 1996.

A Statement of Answer was filed by Chemical Investment Services Corp. on April 1, 1996. Chemical Investment Services Corp.'s Submission Agreement was signed on April 3, 1996.

**HEARING INFORMATION**

Hearing Date/Sessions: November 12, 1996 - Two Sessions

The hearings were held at the offices of the National Association of Securities Dealers, Inc. located in New York City, New York.

**CASE SUMMARY**

Claimant alleged that on March 24, 1994 she went to Chemical Bank to invest \$100,000.00 in a savings account. According to Claimant, she expressed her displeasure at the low interest rate and was directed to the Chemical Investment Center booth where she spoke to Mr. DiGangi. Claimant allegedly told DiGangi she was unemployed, caring for her sick husband and that the \$100,000.00 was her life's savings to which she needed quick access.

Claimant contended DiGangi had indicated the money would be invested in a mutual fund where the costs were reflected in the price. Claimant further contended she never stated she had an income of \$50,000.00. Claimant gave DiGangi her money and got a hand written receipt and stated a week later she got a completed application.

Claimant stated that when she saw her first statement she discovered her investment, actually a tax free bond fund, had gone down and went to DiGangi who told her she was locked in for 6 months and advised her to call the fund directly. Claimant was able to switch to a money market account.

Respondent defended and denied each and every allegation in the Statement of Claim and contended claimant was employed as an electrical designer and did substantial free lance work.

Respondent argued that DiGangi discussed with claimant her background, investment objectives and risk tolerance and that claimant never indicated her husband was ill or that she was unemployed. Respondent further argued that claimant stated she was interested in a long term tax free investment which would earn a higher rate of return than a savings or money market account.

DiGangi recommended the Kemper New York Tax Free Income Fund and contended he explained there was a front end charge. DiGangi also argued that he explained that the fund was tied to interest rate movement and would accordingly fluctuate in value. Respondent maintained that DiGangi gave claimant a copy of the prospectus which contained disclosures and material information regarding the nature of the investment. Respondent further maintained that at that time claimant authorized DiGangi to purchase the fund and executed the Account Application on March 24, 1994 as well as the Mutual Fund, Unit Investment Trust and Variable Annuity Disclosure Form.

Respondent argued that claimant was fully informed of the material terms and conditions.

#### **RELIEF REQUESTED**

Claimant requested \$7,464.00 in actual loss and \$6,000.00 which represents loss of opportunity.

Respondent requested the Statement of Claim be dismissed and costs be assessed against Claimant.

#### **AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Chemical Investment Services Corp. be and hereby is liable to and shall pay to Claimant the sum of \$4,500.00 plus interest at the rate of 5% per year from date of filing the Claim until paid in full.
2. All other claims are hereby denied.

#### **FORUM FEES**

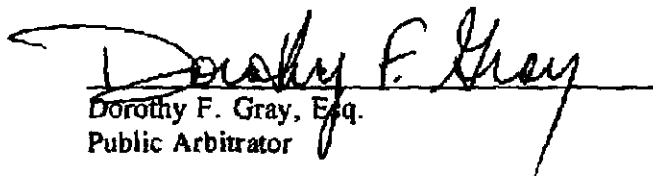
Pursuant to Section 43c of the Code of Arbitration Procedure, the Arbitrator has determined the NASD shall retain the \$100.00 filing fee previously paid by Claimant and has assessed the following forum fees:

2 sessions x \$300.00 =	\$600.00
less Claimant's deposit	\$300.00
Total outstanding	\$300.00

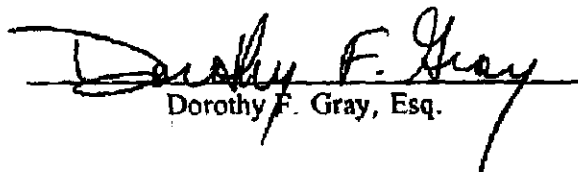
The arbitrator has determined that Respondent Chemical Investment Services Corp. shall be liable for the outstanding forum fees. Therefore Respondent Chemical Investment Services Corp. is liable and shall pay to the NASDR the sum of \$300.00

All fees are payable to the National Association of Securities Dealers, Inc.

**ARBITRATOR'S SIGNATURE**

  
Dorothy F. Gray, Esq.  
Public Arbitrator

I, Dorothy F. Gray, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law & Rules, that I am the individual described herein, and who executed this instrument which is my award.

  
Dorothy F. Gray, Esq.

Date of Decision: December 13, 1996