

## **AWARD**

NASD Regulation, Inc. Office of Dispute Resolution

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In the Matter of the Arbitration Between

Name of Claimant

Glenna Eacret and Eleanor Mosca

and

96-00400

Name of Respondent

NationsSecurities

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### **REPRESENTATION OF PARTIES**

Glenna Eacret and Eleanor Mosca ("**Claimants**") were represented by Robert A. Fink, Esq., Investment Loss Recovery Group, San Diego, California.

NationsSecurities ("**Respondent**") was represented by Cory Hohnbaum, Esq., Kennedy Covington Lobdell & Hickman, L.L.P., Charlotte, North Carolina.

### **CASE INFORMATION**

The Statement of Claim was filed on or about January 29, 1996. Submission Agreement of Claimant Glenna Eacret was signed on January 17, 1996. Submission Agreement of Claimant Eleanor Mosca was signed on June 28, 1996.

Statement of Answer was filed by Respondent NationsSecurities on or about March 25, 1996. Submission Agreement of Respondent NationsSecurities was signed on March 20, 1996 by Barry P. Harris.

### **HEARING INFORMATION**

The hearing was held on Tuesday, September 17, 1996 in Nashville, Tennessee for a total of two (2) sessions.

### **CASE SUMMARY**

Claimants alleged that Respondent invested Mrs. Eacret's life savings into a highly speculative closed end bond fund. Claimants also alleged that this investment was not suitable for her age,

financial situation, investment objectives and experience. It was further alleged that Respondent failed to supervise its agent who made negligent statements and omitted material facts regarding the risks and speculative nature of the investment.

Respondent denied the allegations set forth in the Statement of Claim. Respondent stated that its agent accurately described the investment in question. Specifically, Respondent stated that the Claimants were informed that before maturity, both the dividend and the share price would fluctuate with interest rates and that the investment could be sold at any time at whatever the market price was less the standard brokerage commission. Respondent also stated that Claimants had stated that the investment objective for the account was income, at no time did that Claimants state that Mrs. Eacret required safety of principal.

### **RELIEF REQUESTED**

Claimants requested an award in the amount of \$30,342, pre-award and post-award interest.

Respondent requested that the claims asserted against it be denied in their entirety.

### **OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Regulation, Inc. Office of Dispute Resolution.

### **AWARD**

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

1. Respondent NationsSecurities shall pay to the Claimants Glenna Eacret and Eleanor Mosca the sum of **fifty thousand dollars (\$50,000)**.
2. Each party shall bear its own costs, expenses and attorneys' fees incurred in this matter not specifically enumerated herein.

### **FORUM FEES**

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There were two (2) sessions x \$400 = \$800 in forum fees. Pursuant to §10332(b)

a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §10332(c) of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable filing fee in the amount of \$120 and shall **refund** the hearing session deposit in the amount of \$400 previously deposited with NASD Regulation, Inc. Office of Dispute Resolution by the Claimants Glenna Eacret and Eleanor Mosca. Respondent NationsSecurities shall be and hereby is liable for and shall pay to NASD Regulation, Inc. Office of Dispute Resolution the sum of \$800 for forum fees.

Pursuant to §10333 of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable member surcharge in the amount of \$200. **Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.**

Dated:

/s/ Raymond S. Clift, Esq.

Raymond S. Clift, Esq.  
Public Arbitrator, Presiding Chair

September 23, 1996

/s/ Donald E. Rutledge

Donald E. Rutledge  
Public Arbitrator

September 24, 1996

/s/ Phil Lubetkin

Phil Lubetkin  
Industry Arbitrator

September 23, 1996