

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Josephine V. Collins

NASD Arbitration
No. 96-00428

Name of Respondent(s)

Bill Coogle
LaJolla Capital Corporation
Len Harris

REPRESENTATION

For Claimant:	Appearance in pro per
For Respondent Bill Coogle:	Appearance in pro per, by conference telephone from Woodstock, Georgia
For Respondent LaJolla Capital Corp.:	James C. Weaver, Esq. San Diego, California
For Respondent Len Harris:	No Appearances

CASE INFORMATION

Statement of Claim filed:	February 23, 1996
Claimant's Submission Agreement signed:	February 29, 1996
Statement of Answer Filed by Respondent Bill Coogle:	April 23, 1996
Respondent Bill Coogle's Submission Agreement signed:	April 23, 1996

Statement of Answer Filed by Respondent LaJolla
Capital Corporation:

April 26, 1996

Respondent LaJolla Capital Corporation's
Submission Agreement signed:

April 23, 1996

Statement of Answer Filed by Respondent Len Harris: None

HEARING INFORMATION

Hearing Date(s) / Session(s):

September 9, 1996 (two sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant, a 72-year old widow, desiring to sell 500 shares of Checkmate Electronics, telephoned a broker/dealer firm with which her deceased husband had done business - LaJolla Capital Corporation, on April 25, 1995, and was connected with Respondent Coogle. Such Respondent accepted the order to sell, for a net to Claimant of \$1140.73, and recommended the purchase of Comparator Systems Corp. at the then price of .55 per share. Claimant ordered the purchase of 100,000 Comparator Systems for \$5,534.50, and sent LaJolla her check for \$1,140.73 which, together with the proceeds from her sale, represented the total purchase price. Claimant thereafter put Coogle in touch with her daughter and her son, both of whom purchased from Coogle shares of Comparator for their own separate accounts. Thereafter, as a result of press reports of Comparator's unusual market activity and investigation of same by regulatory authorities, which press reports referred to Respondent LaJolla Capital Corporation as a principal market-maker and Respondent Coogle as a major salesman, Claimant on July 21, 1995 sold, through a different broker/dealer, her 100,000 Comparator shares at .312 per share for a net of \$2,956.20 for an aggregate loss of \$2,578.31.

Claimant alleged that Respondent Coogle had not told her that LaJolla Capital Corporation was a market-maker, that the stock she purchased was from inventory, nor that Comparator Systems had a negative financial history. Claimant also contended that the purchase price that she was quoted was incorrect.

Respondents LaJolla Capital and Coogle in their answers, allege that they had made a fair and complete presentation to Claimant.

RELIEF REQUESTED

Claimant's requested damages include her alleged capital loss of \$2,578.30, reduction of the \$230 commission from her sale, costs (non-stated), and interest.

SPECIAL FINDINGS

The undersigned Arbitrator submits the following findings with respect to this award:

- a. The presiding arbitrator is making his award upon the evidence produced notwithstanding the failure to appear at the hearing of Respondent Len Harris. The presiding arbitrator noted from the pleadings what appears to be a Motion to Dismiss the Case with respect to Mr. Harris and such was taken under submission. Claimant presented no evidence with respect to Mr. Harris.
- b. Insufficient evidence was introduced to reflect whether misrepresentations were made to claimant.
- c. It was apparent from the evidence that Claimant is unsophisticated in securities matters and did not then understand, and does not now understand, the differences between a "principal" market and an "agency" market.
- d. It was apparent from the evidence that the shares sold to Claimant were unsuitable for her.
- e. No evidence was introduced with respect to any showing that Respondent LaJolla Capital Corporation supervised Respondent Coogle in his selling Comparator shares to Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 remains on file with the NASD.

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. In satisfaction of Claimant's claims, Respondents LaJolla Capital Corporation and Bill Coogle are jointly and severally liable for and shall pay to Claimant the sum of \$1,440.73, together with interest computed at the legal rate of 10% of \$1,440.73 per annum from April 25, 1995 until the date of payment of this award.
2. Respondent Harris' Motion to Dismiss is granted.
3. Forum Fees shall be split evenly between Claimant and Respondents.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

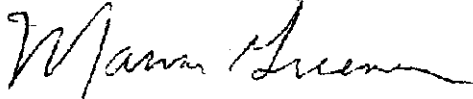
<u>Two (2) Hearing Sessions @ \$100.00/Session</u>	<u>= \$200.00</u>
Total Forum Fees Assessed	= \$200.00
 Claimant's One-Half Share	 = \$100.00
<u>Credit for Hearing Session Deposit</u>	<u>= \$100.00</u>
Claimant's Balance Due	= \$0.00
 <u>Respondents' (jointly and severally) One-Half Share</u>	 <u>= \$100.00</u>
Respondents' (jointly and severally) Balance Due	= \$100.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Marvin Greene, Esq.	Public Arbitrator

Concurring Arbitrators' Signatures



Marvin Greene, Esq.

Date of Decision: September 12, 1996

Date of Service: 10/8/96