

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

**Name of Claimant**

Michael D. Seeman

NASD Arbitration  
No. 96-00532

**Name of Respondents**

Jeff Renley and Diversified Securities, Inc.

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**REPRESENTATION**

For Claimant:

William F. Davis, Esq.  
Pacific Palisades, California

For Respondents:

James Geffner, Esq.  
Burbank, California

**CASE INFORMATION**

Statement of Claim filed:

February 6, 1996

Claimant's Submission Agreement signed:

February 1, 1996

Statement of Answer filed by Respondent:

May 17, 1996

Respondent's Submission Agreement signed:

May 14, 1996

**HEARING INFORMATION**

Hearing Date(s) / Session(s):

November 19, 1996 (2 sessions)

Hearing Location:

Los Angeles, California

### **CASE SUMMARY**

Claimant alleged that Respondents committed breach of fiduciary duty, breach of contract, failure to disclose and fraud. Specifically, Claimant asserted that excess commissions were earned by Respondents due to the "churning" of Claimant's accounts and that Respondents improperly placed Claimant into unsuitable, highly speculative, mutual funds without disclosing the risks involved.

Respondents denied Claimant's claims in their entirety.

### **RELIEF REQUESTED**

Claimants sought compensatory damages in the amount of \$35,425.82.

Respondents sought dismissal of Claimant's Statement of Claim.

### **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. Claimant is awarded the amount of \$9,430.30 against Respondents jointly and severally.
2. Claimant is awarded interest at the rate of 10% per annum commencing August 21, 1994 and continuing until the award is paid in full.
3. Each side shall bear its own attorneys' fees and costs.
4. Forum Fees are assessed against Claimant.

### FORUM FEES

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

<u>Two (2) Hearing Sessions @ \$300.00/Session</u>	<u>= \$600.00</u>
Total Forum Fees Assessed	= \$600.00
 Claimant's Share	 = \$600.00
<u>Credit for Hearing Session Deposit</u>	<u>= \$300.00</u>
Claimant's Balance Due	= \$300.00

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

### ARBITRATOR

Name \_\_\_\_\_ Public / Industry \_\_\_\_\_  
Herbert L. Greenberg, Esq.

Arbitrator's Signature

Herbert Leslie Greenberg  
Herbert L. Greenberg, Esq.

Date of Decision: \_\_\_\_\_

Date of Service: 11/22/96