

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Theresa Marchica, IRA

96-00657

Name of Respondent

Feeley & Wilcox

CASE SUMMARY

In a claim filed with the National Association of Securities Dealer, Inc. on February 13, 1996, Claimant Theresa Marchica ("Claimant"), who appeared Pro Se, alleged that Respondent Feeley & Wilcox ("Respondent") purchased an investment which was not in conformity with her investment objectives of income, growth and capital preservation. Claimant further alleged that she gave the Respondent discretionary power over her IRA which enabled it to purchase, 500 shares of Quadrex Securities at \$9 5/8 in May, 1993 and 500 shares at \$7 5/8 in July, 1993. Claimant asserted that the Respondent used very poor judgment as its own research showed that Quadrex's stock price was inflated and that the company was underinsured. Claimant further asserted that in response to her inquiry regarding the downward trend of the stock, the Respondent reassured her that the company had trouble but that the long term perspective was positive. Claimant contended that despite Respondent's assertions, the Quadrex continued experiencing problems causing the price of the stock to drop to \$.10 a share within a year. Claimant further contended that this stock became the subject of a class action suit that ended in with a settlement of \$63.77 for her \$8,625.00 initial investment because the company had had limited insurance coverage. Claimant alleged that due to the wrongdoing of the Respondent, she suffered damages for which the Respondent should be held liable.

Respondent Feeley & Wilcox ("Respondent"), through its representative and President, Michael J. Feeley, maintained Respondent further contended that Quadrex Securities was purchased after its analyst researched the company for two years and concluded that the CEO of Quadrex was outstanding in the utility industry in Florida. Respondent further maintained that its judgment that the Quadrex Securities be an excellent growth stock was wrong. Respondent further maintained that material information was withheld from it and the public as is evidenced by the

stock's precipitous fall in value to ten cents per share. Respondent contended that the purpose of the purchase of Quadrex Securities was to reduce the risk through diversification in Claimant's account but did not guarantee performance results. Respondent further maintained that the Claimant's portfolio is approximately equal to original cost because of the profit and performance of the Claimant's first investment purchase, Alliance. Respondent further maintained that it committed no wrongdoing and requested that the claims against it be dismissed.

RELIEF REQUESTED

Claimant Theresa Marchica requested \$8,824.00 in actual damages.

Respondent Feeley & Wilcox requested that the claims of the Claimant be dismissed.

AWARD

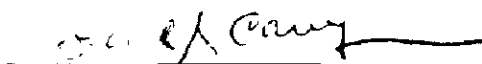
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Neil J. Carey was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Theresa Marchica on February 2, 1996 and by the Respondent Feeley & Wilcox on June 10, 1996.

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 Theresa Marchica against Respondent Feeley & Wilcox 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 Dealer, Inc. by the Claimant Theresa Marchica shall be retained by the NASD, Inc.

AFFIRMATION

I, **NEIL J. CAREY**, 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.


NEIL J. CAREY

Date of Decision: September 11, 1996