

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Francis Kent Manieson

96-01419

Name of Respondents

Chatfield Dean & Co. Inc.  
Mark Greven

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealer, Inc. on April 1, 1996, Claimant Francis Kent Manieson ("Claimant"), who appeared Pro Se, alleged that Respondents Mark Greven ("Greven") and Chatfield Dean & Co. Inc. ("Chatfield") were negligent in performing their duties. Claimant further alleged that he was serviced by four Chatfield representatives within one year of his initial purchase of Comverse Technology Inc. ("CMTV"). Claimant also alleged that the last Chatfield representative who handled his account, Greven, persuaded him to sell CMTV and purchase Home Theater Products International ("HTPI"). Claimant asserted that Greven convinced him to purchase HTPI by stating that he personally knows the President of HTPI, who assured him of the company's viability. Claimant further asserted that Greven admitted that he owned a lot of shares of HTPI and was calling other stock holders to switch. Claimant also asserted that Greven's method of promoting the sale of HTPI involved a promise that HTPI was selling some of their products to stock holders at a discount. Claimant contended that he reluctantly purchased 1,275 shares of HTPI after Greven reassured him of the aforementioned information. Claimant further contended that he checked the stock's performance daily and discovered a downward trend which stopped when it delisted. Claimant also contended that he called Greven about HTPI's delisting and was informed that HTPI was being investigated for fraud but was reassured that the company would be reorganized. Claimant further alleged that Greven abused his power of trust because he solicited this trade based on misrepresentations. Claimant also alleged that Chatfield was negligent in allowing Greven to promote HTPI based on newsletter information without verifying its authenticity. Claimant asserted that Chatfield failed to immediately inform him of HTPI's fraud. Claimant further asserted that due to the wrongdoing of the Respondents, he suffered damages for which the Respondent should be held liable.

Respondent Mark Greven ("Respondent"), who appeared Pro Se, maintained that Claimant purchased HTPI based on multiple research reports, quarterly/annual reports and a meeting with its management. Respondent further maintained that even well respected industry analysts from Cohig & Associates, where he was originally employed, stated that HTPI had promising future prospects. Respondent also maintained that his own research indicated that HTPI had revenue growth, new important products and an income growth. Respondent contended that through his former employer, Cohig & Associates, he learned that everyone was aggressively purchasing shares of HTPI. Respondent further contended that he had the same opportunity as afforded to all the attendees of the conference to speak to the president of HTPI. Respondent also contended that he solicited suitable accounts to purchase shares in HTPI with cash or through liquidating CMTV. Respondent maintained that HTPI did offer over 20% discounts to stock holders who purchased its Home Theater System Products. Respondent further maintained that he committed no wrongdoing and requested that the claim against him be dismissed.

Respondent Chatfield Dean & Co., Inc., ("Respondent") through its representative and in-house counsel, Christa D. Taylor, maintained that it did not defraud the Claimant nor was it negligent in its activities. Respondent further maintained that Claimant's initial speculative purchase made a profit and became the driving force for his other speculative purchases. Respondent also maintained that the Claimant was solely responsible for his decision to sell CMTV and purchase HTPI. Respondent contended that the Claimant brought this claim against it because he wished that he had kept CMTV which he sold at \$10.75 a share and recently reached a high of \$30.00 per share. Respondent further contended that Greven made recommendations to the Claimant which fell within his investment objectives. Respondent also contended that HTPI experienced a rapid growth which resulted in its recommendation and description as an outstanding stock by magazines and reports. Respondent maintained that it was just as surprised as Claimant was about HTPI's investigation. Respondent further maintained that it committed no wrongdoing and requested that the claims against it be dismissed.

#### **RELIEF REQUESTED**

Claimant Francis Kent Manieson requested \$10,000.00 in actual damages.

Respondents Mark Greven and Chatfield Dean & Co., Inc. requested that the claims of the Claimant be dismissed.

#### **AWARD**

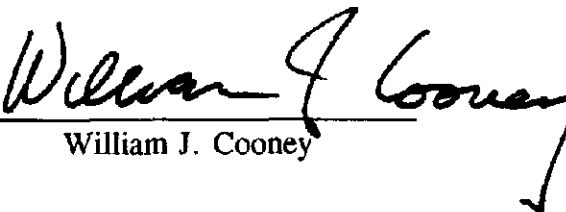
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, William J. Cooney, Esq. was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Francis Kent Manieson on March 28, 1996 and by the Respondent Mark Greven on August 2, 1996 and by Respondent Chatfield Dean & Co., Inc. on June 17, 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 Francis Kent Manieson against Respondents Mark Greven and Chatfield Dean & Co., Inc. 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 Francis Kent Manieson shall be retained by the NASD, Inc.

**AFFIRMATION**

I, **WILLIAM J. COONEY**, 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.

  
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William J. Cooney

Date of Decision:        September 19, 1996