

**AWARD**

**NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION**

In the matter of the Arbitration Between

**Name of Claimant(s)**

Robert W. Day

Arbitration  
No. 96-01817

**Name of Respondent(s)**

Chad Beanland

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**REPRESENTATION**

For Claimant: Richard Peter Kammet, Investor Consumer Advocates,  
Albany, California

For Respondent: No appearance by Respondent Chad Beanland

**CASE INFORMATION**

Statement of Claim filed: April 18, 1996

Claimant's Submission Agreement signed: April 25, 1996

Statement of Answer filed by Respondent: July 19, 1996

Supplement to Statement of Answer filed: May 8, 1997

Respondent's Altered Submission Agreement signed: June 28, 1996

**HEARING INFORMATION**

Pre-Hearing Conference Date(s)/Session(s):

May 2, 1997 (one session)

Hearing Date(s)/Session(s): May 12, 1997 (one session)

Hearing Location: San Francisco, California

**CASE SUMMARY**

Claimant alleged the following claims with respect to investments in various securities: 1) Common Law Fraud; 2) Breach of Fiduciary Duty; and 3) Negligence. At the hearing, Claimant alleged unauthorized trading in various securities by Respondent Chad Beanland.

Respondent Chad Beanland denied all of the material allegations in Claimant's Claim and alleged that all transactions which occurred in Claimant's account were carried out in accordance with Claimant's instructions and in conformity with all applicable rules, regulations, industry standards and practices. Respondent Beanland further alleged that the recommendations to Claimant were reasonably based and suitable in light of Claimant's stated investment objectives, and that any and all transactions made in Claimant's account were mutually agreed upon. Respondent Beanland also asserted affirmative defenses.

**RELIEF REQUESTED**

Claimant requested:

1. Compensatory damages of \$86,095.00;
2. Prejudgment interest at the legal rate in California;
3. Reimbursement of all costs and fees associated with the filing, preparation and hearing of Claimant's Claim; and
4. Punitive damages in an amount at least three times the total damages recoverable in this action.

Respondent Beanland requested:

1. Dismissal of Claimant's Claim in its entirety;
2. Costs and expenses, including reasonable attorneys' fees; and
3. Such other and further relief as is just and proper.

### OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the parties and arbitrators were advised that pursuant to the Order entered by the United States District Court for the Southern District of New York upon the application of the Securities Investor Protection Corporation, Inc., the above-captioned matter was stayed with respect to Stratton Oakmont, Inc.

At hearing, Claimant advised the panel that all claims against Frank Riccuiti, Jr. were withdrawn in accordance with the settlement reached between Claimant and Mr. Riccuiti.

Claimant 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 originals remain on file with NASD Regulation, Inc. (NASDR).

### EVIDENCE

Documentary evidence consisting of Arbitrators' Exhibits A-C and Claimant's Exhibits 1-5A were admitted. Additionally, Mr. Beanland's letter to the panel of May 8, 1997 was admitted as Exhibit #3. Claimant and Claimant's representative testified at hearing.

### 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 Chad Beanland is liable for and shall pay to Claimant the sum of \$68,380.00, plus simple interest at the rate of 7% per annum from May 24, 1995 until the date of payment of this award.

2. Claimant's claim for punitive damages is denied.

3. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASDR shall refund the \$750.00 hearing session deposit previously deposited by the Claimant. Forum fees are assessed against Respondent Chad Beanland in the amount of \$800.00, calculated as follows: One pre-hearing session times \$300.00 plus one hearing session times \$500.00.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

Name ..... Public / Industry

Charles E. Farnsworth, Esq.

Public Arbitrator

Donald S. Green

Public Arbitrator

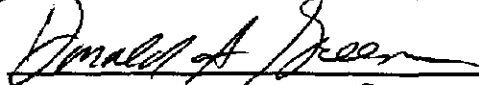
Shirley L. Reich

Industry Arbitrator

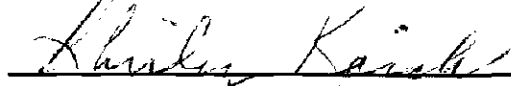
Concurring Arbitrators' Signatures



Charles E. Farnsworth, Esq.



Donald S. Green



Shirley L. Reich

Date of Decision: May 12, 1997

Date served: May 13, 1997