

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION

In the Matter of the Arbitration Between

Name of Claimant

Trudy King

96-02330

Name of Respondent

National City Investments Corp.

REPRESENTATION

Claimant Trudy King ("Claimant") appeared pro se.

For Respondent National City Investments Corp. ("Respondent") appeared Harry John Watson, III, Esq., in-house counsel for National City Investments Corporation, located in Indianapolis, Indiana.

CASE INFORMATION

The Statement of Claim was filed on May 20, 1996.

Claimant's Submission Agreement was signed on May 20, 1996.

A Statement of Answer was filed by Respondent National City Investments Corp. on September 26, 1996. Respondent National City Investments Corp. did not file a Submission Agreement as required by Rule 10302 (d) of the NASD Code of Arbitration Procedure.

HEARING INFORMATION

Hearing Date/Sessions: January 6, 1997 - 2 Sessions

The hearing was held at the Club Room at the Doubletree, 9700 Bluegrass Parkway, located in Louisville, Kentucky 40299.

CASE SUMMARY

Claimant alleged that respondent sold the claimant 15,000 shares of LTV common stock on three separate dates in June of 1993. Claimant alleged that she contacted the respondent firm and inquired as to when the stock certificates would be delivered. In July, claimant was allegedly told that she would not receive stock certificates but rather she would receive warrants. Claimant also alleged that she was not told at any time during the purchase of the 15,000 shares of LTV that she was buying Warrants. In fact, respondent allegedly charged claimant 4 cents per share in commission fees for 15,000 shares of stock. Claimant contended that the shares she purchased were never issued.

Respondent denied all allegations of wrongdoing asserted in the Statement of Claim. Respondent maintained that the brokerage service provided by National City Investment Corp. to the claimant is a level of discount brokerage in which the customer initiates trades without the advice of a broker.

Respondent further maintained that claimant telephoned three separate purchases of 5,000 shares of LTV Common Stock in June of 1993. Respondent provided claimant with a statement in early July, 1993, for the two month period of May and June of 1993, which allegedly showed her equity was 15,000 shares of LTV Common stock valued at \$.094 per share for a total of \$1,410.00. In August of 1993, Series A Warrants were issued for the purchase of new common shares of LTV Steel to those shareholders holding shares of LTV common stock pursuant to the Chapter 11 Bankruptcy Reorganization Plan of LTV Steel.

Respondent maintained that claimant's shares held in equity at National City Investment Corp. converted to 173 Warrants which expire June 28, 1998. Respondent also maintained that it was noted at the time, that the price per share of new LTV Common stock to which the warrant holder would be entitled would be fixed on December 28, 1993. On December 28, 1993, the LTV Series A Warrant Agreement resulted in a fixing of price and shares available to the Warrant holders. Subsequently, notice was sent to the holders informing them of their rights and the time frame for exercising those rights under the agreement. The new shares of LTV Common stock are those which now trade on the New York Stock Exchange.

RELIEF REQUESTED

Claimant requested that she be awarded 15,000 shares of LTV common stock which had a market value of approximately \$17-1/4 to \$14 per share during early 1996.

Respondent requested that the claim be dismissed with prejudice and that it be awarded reasonable costs of defense of this proceeding.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in 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.

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 be and hereby is liable and shall pay to claimant Trudy King the sum of \$825.00, interest specifically not awarded.
2. Claimant be and hereby is ordered by this arbitration panel to return 57 2/3 warrants to respondent.
3. Each party shall bear their respective costs, including attorneys' fees, except that Respondent be and hereby is liable and shall reimburse claimant the sum of \$950.00 which represents filing fees deposited by claimant with NASD Regulation.

FORUM FEES


Pursuant to Rule 10332 of the Code of Arbitration Procedure, the following Forum Fees are assessed:

2 sessions x \$750.00 = \$1,500.00 - \$750.00 hearing session deposit = \$750 due.

Respondent be and hereby is liable and shall pay to NASD Regulation \$750.00 representing the balance due for forum fees assessed.

ARBITRATORS' SIGNATURES

Amelia F. Adams, Esq.
Public - Chairperson


Franklin S. Yudkin, Esq.
Public Arbitrator

William Lewis Brown, Esq.
Industry Arbitrator

Date of Decision: April 11, 1997

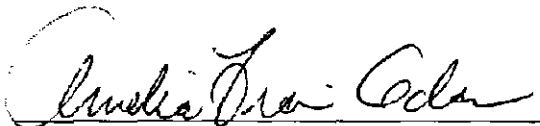
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