

N.A.S.D. AWARD**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

In the Matter of the Arbitration Between

Name of Claimant

Kathryn B. Moser, individually and as Trustee of the
Kathryn B. Moser Revocable Living Trust

96-02981

Name of Respondents

Carl W. Allen, Jr.
Barron Chase Securities, Inc.

REPRESENTATION

For Claimant: Richard R. Logsdon, Esq. of Richard R. Logsdon, P.A., Clearwater,
Florida.

For Respondents: Eugene M. Kennedy of Eugene Michael Kennedy, P.A., Ft.
Lauderdale, Florida.

CASE INFORMATION

Statement of Claim filed: July 12, 1996.

Claimant's Submission Agreement signed on: October 25, 1995.

Respondent Carl W. Allen, Jr.'s ("Allen") Submission Agreement signed on: October 14,
1996.

Respondent Barron Chase Securities, Inc.'s Submission Agreement signed on: October
14, 1996.

Joint Statement of Answer filed by Respondents on: October 15, 1996.

HEARING INFORMATION

On November 27, 1996 and March 4, 1997 telephonic pre-hearing conferences lasting two sessions were conducted.

On August 19 - 21, 1997 and September 8, 1997 hearings lasting eight (8) sessions were conducted in Tampa, Florida.

CASE SUMMARY

Claimant alleged that from December 1993 through September 1995 Respondent Allen invested \$242,739.46 of Claimant's money resulting in a loss to Claimant of \$135,323.34; that Respondent Allen engaged in illegal sales practices, made misrepresentations concerning the securities that he recommended, and made unauthorized and unsuitable investments. Claimant further alleged that Respondent Barron Chase Securities, Inc. was negligent in hiring Respondent Allen and failed to use due diligence in their investigation of Allen prior to his employment with the firm; and that Respondent Barron Chase Securities, Inc. failed to stop Respondent Allen's illegal activities.

Respondents alleged that the Claimant actively participated, discussed, consented and ordered each transaction after having specified to Respondents that her account objective was not conservative but rather growth with risk including speculation for the purpose of achieving a 15% to 25% annual gain; that Claimant received trade-by-trade confirmations and monthly statements indicating, reflecting and confirming each transaction; and, that the Claimant's accountant received simultaneous, duplicate copies of the Claimant's trade confirmations and monthly statements.

RELIEF REQUESTED

Claimant requested an award and judgment against Respondents, jointly and severally, for actual damages in the sum of \$103,619.48, plus \$10,050.00 for unauthorized commissions, plus \$21,643.66 for excessive commissions, plus punitive damages, attorneys' fees and costs to be determined by the arbitrators.

Respondents requested denial of the Statement of Claim and an award against the Claimant for the Respondents' attorney's fees and costs.

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, Inc.

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:

Respondents are found jointly and severally liable and shall pay to the Claimant damages in the sum of \$81,702.91.

Respondents are found jointly and severally liable and shall pay to the Claimant \$750.00 representing the hearing session deposit previously paid by the Claimant.

The Claimant's request for punitive damages is denied.

The Claimant's request for attorneys' fees is referred to a court of competent jurisdiction.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the Panel has assessed Forum Fees in the sum of \$7,500.00 (two pre-hearing conferences x \$750.00 plus eight hearing sessions x \$750.00).

1. Respondents are hereby jointly and severally assessed \$7,500.00 for which NASD Regulation, Inc. shall retain the \$750.00 previously deposited by the Claimant in partial satisfaction thereof, leaving a balance due in the sum of \$6,750.00.

2. Respondent Barron Chase Securities, Inc. is still owing \$350.00 pursuant to Rule 10333 of the Code Of Arbitration Procedure for the previously assessed member surcharge.

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

Concurring Arbitrators' Signatures

Public/Industry

/S/

Public

Cynthia A. Henderson, Esq.

/S/

Industry

David C. Lockhart

/S/

Public

Stanley Lampert, Esq.

12/9/97

Date of Decision: _____