

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Natalie Rosen

96-02995

Name of Respondents

Barron Chase Securities, Inc.
Brian Krogstad
Marc Gast
Standford Williams

CASE SUMMARY

In a case filed with the National Association of Securities Dealers Regulation, Inc. on July 12, 1996, claimant Natalie Rosen ("claimant"), who appeared Pro Se, alleged that respondents Barron Chase Securities ("BCS"), Brian Krogstad ("Krogstad"), Marc Gast ("Gast") and Standford Williams ("Williams") recklessly handled her account. Claimant further alleged that in June 1994, Gast and Krogstad were working as partners when they made unauthorized trades in her account and co-mingled her cash account and IRA account. Claimant asserted that in March 1995, Gast began calling her, urging her to sell some stocks so that he could make money for her. Claimant further asserted that after repeated requests she agreed to sell 3,000 shares of Sled Dog Stock ("Sled Dog") because he told her that the stock was going to continue to decrease in value. Claimant also asserted that within 4 to 5 weeks the Sled Dog stock went from \$.80 a share to \$2.50. Claimant contended that Gast misrepresented this investment and failed to do his due diligence. Claimant further contended that after the sale Gast started to frequently buy and sell stocks in her name. Claimant also contended that Gast was churning her account in a self serving matter. Claimant alleged that she later found out that several of these trades were in high risk investments. Claimant further alleged that one example is when Gast purchased Grand Union stock on two occasions and then informed her that his company had gone through bankruptcy the year before. Claimant asserted that she named respondent Williams because he was listed as an account executive who was receiving the commission for the sale of Sled Dog.

Respondent William through his representative and counsel Eugene Michael Kennedy, Esq. of the law offices of Eugene Michael Kennedy, P.A. located in Fort Lauderdale, Florida, maintained that he has never heard of claimant nor has he profited from any transaction directly or indirectly, involving claimant. Respondent Williams further maintained that claimant makes no allegations of any act or omission which might possibly support liability in him. Respondent Williams also maintained that there are no allegations that claimant had ever spoke with him. Respondent Williams contended that his inclusion into this arbitration case is frivolous.

Respondents Gast and Barron Chase Securities (collectively referred to as "respondents") through their representative and counsel Eugene Michael Kennedy, Esq., of the law offices of Eugene Michael Kennedy, P.A. located in Fort Lauderdale, Florida, maintained that all of claimant's trades were received from and confirmed directly back to her verbally, at the time that she placed the trade orders. Respondents further maintained that claimant specifically ordered the sell of Sled Dog, the purchase however was not executed by Gast or anyone at BCS. Respondents also maintained that at no time did the claimant ever request or demand cancellation or rescission of any of her account trades, including the sale of Sled Dog.

Respondents contended that her purchase of 3,000 shares of Sled Dog was made elsewhere, presumably through Krogstad, under the terms of conditions which are unknown to Gast of BCS. Respondents further contended that when claimant transferred her account to BCS, Gast informed her that he considered Sled Dog to be a high risk, speculative security that should not be held by the claimant despite the fact that her stated account objective was growth. Respondents also contended that claimant and claimant alone, determined to sell her Sled Dog position. Respondents maintained that Gast had no knowledge and he did not at the time of such sale have any knowledge, as to whether claimant's decision to sell her Sled Dog produced a loss or profit.

Respondents further maintained that during the twelve months that claimant's account was at BCS, her account increased in value by \$4,000, compared to when it was transferred. Respondents also maintained that claimant never complained to BCS or its management, or protested any of the transactions she ordered in her BCS account. Respondents contended that allegations of churning are unsupported and are ludicrous. Respondents further contended that claimant's Grand Union securities were ACTed when she transferred the account away from BCS.

Respondent Brian Krogstad did not file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Natalie Rosen requested \$7,500.00 in damages.

Respondent William requested that the claims of claimant against him be dismissed in their entirety, together with an award of his reasonable attorneys' fees and costs of defending this frivolous and meritless claim and an expungement of any reference on his CRD.

Respondents Gast and BCS requested that the claims of claimant be dismissed in their entirety with prejudice and an award of their reasonable attorneys fees and costs.

Respondent Brian Krogstad did not file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Rule 10302 of the Code of Arbitration Procedure, respondent Brian Krogstad, was served by regular mail and given an opportunity to respond, which he failed to do. In addition, notice of overdue answer and notifications of Arbitrator's identity was effect upon respondent Brian Krogstad by certified mail, as evidenced by the signed signature cards on file at NASD Regulation, Inc.

Pursuant to the By-laws of the NASD Regulation, the arbitrator determined that respondent Brian Krogstad had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore bound by the arbitrator's ruling and determination.

AWARD

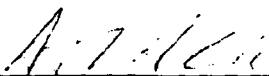
Pursuant to Rule 10302 of the Code of Arbitration Procedure, a single Public Arbitrator Arthur Cobb, was selected to review the matter in controversy between the parties set forth in Submission to Arbitration signed by claimant Natalie Rosen on August 2, 1996 and by respondents Stanford Williams on December 27, 1996, and Barron Chase Securities on January 30, 1997. Respondents Gast and Krogstad did not execute a Submission Agreement as required by Rules 10301 and 10302 of the Code of Arbitration Procedure.

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 Natalie Rosen against respondent Stanford Williams are dismissed in their entirety.
2. In addition, after reviewing the merits of this case, this arbitrator hereby directs NASD Regulations, Inc. to immediately expunge this arbitration matter from Stanford Williams CRD records.
3. Respondents Barron Chase Securities and Marc Gast be and hereby are jointly and severally liable and shall pay claimant the sum of \$429.95.
4. Respondent Brian Krogstad be and hereby is liable and shall pay claimant the sum of \$6,337.52.
5. The \$150.00 filing fee previously deposited with National Association of Securities Dealers Regulation, Inc., by claimant shall be retained by NASD Regulation, Inc. Respondents Gast and BCS be and hereby are jointly and severally liable and shall pay claimant the sum of \$50.00 as reimbursement of one-third the filing fee. Respondent Krogstad be and hereby is liable and shall pay claimant the sum of \$50.00 as reimbursement of one-third the filing fee.
6. All other relief requests are denied.

AFFIRMATION

I, **Arthur Cobb**, do hereby affirm upon my oath as arbitrator that I am the individual described herein who executed this instrument which is my oath and award.



Arthur H. Cobb

Date of Decision: May 16, 1997