

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimants

Mark A. Lang
John F. Lang

96-04293

Name of Respondents

Curtis Marchand
L. C. Wegard

REPRESENTATION

Claimants Mark A. Lang ("Mark Lang") and John F. Lang ("John Lang") (collectively referred to as "Claimants") appeared pro se.

For Respondent Curtis Marchand ("Marchand") appeared Gene R. Thornton, Esq., of the law office Gene R. Thornton, P.C., located in Colorado Springs, Colorado.

Respondent L.C. Wegard ("Wegard") did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim was filed on September 24, 1996. Mark Lang's Submission Agreement was signed on September 24, 1996. John Lang's Submission Agreement was signed on December 3, 1996.

Statement of Answer was filed by Marchand on January 16, 1997. Amended Statement of Answer was filed on June 3, 1997. Marchand's Submission Agreement was signed on January 16, 1997.

Wegard did not file a Statement of Answer or a Submission Agreement.

HEARING INFORMATION

Pre-Hearing Conference:

August 4, 1997

- Panel

Hearing Date/Sessions:

October 16, 1997

Two Sessions

The hearings were conducted at the Doubletree Guest Suite Hotel in Columbus, Ohio.

CASE SUMMARY

Mark Lang alleged that Respondent Marchand induced him to purchase securities that were unsuitable for his financial position. Mark Lang further alleged that Marchand coerced him to purchase these securities by stating that the price was going to increase and that, if it did not, he did not have to complete the purchase. Mark Lang also alleged that the price continued to fall and that, when he told Marchand he did not want the stock, he was told by Marchand that he had to complete the purchase and that the price would increase. Mark Lang alleged that when the value of one stock would fall, Marchand pushed him to sell and invest in another. Mark Lang asserted that Marchand made many misrepresentations to him, including that the more stock you buy the less expensive it is, and that the stock prices listed in the papers were not actual values of the stock. Mark Lang further asserted that Marchand told him that commissions would be charged at 1 1/2%, but that he was charged 5%. Claimant also asserted that when he instructed Marchand to sell, Marchand stated that there would be a 5% commission on the sale of each stock.

Marchand denied the allegations of Claimants that he violated state, federal or common law. Marchand maintained that Claimants were never pressured into making any investment decisions and that they were aware of the risks of investing. In his Amended Statement of Answer, Marchand maintained that Mark Lang was a sophisticated investor and businessman and that he was improperly seeking to make his broker the guarantor of his investments. Marchand further maintained that Claimants seized upon an investigation by the State of Illinois as an opportunity to fabricate a serious complaint to recover paper losses that occurred on just one of many purchases they made through Wegard.

RELIEF REQUESTED

Claimants requested damages in the amount of \$40,000.00, plus \$10,000.00 representing the interest on their loss of investment.

Marchand requested that the Statement of Claim be dismissed in its entirety, and that he be awarded his reasonable attorneys' fees and expenses of this arbitration.

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 original remains on file with the NASD.

The hearing held on October 16, 1997 was conducted with two rather than three arbitrators with the consent of Claimants and Marchand. The panel proceeded without Arbitrator Sean Kelleher pursuant to Rule 10313 of the Code of Arbitration Procedure.

The panel determined that Wegard was not served with the Statement of Claim and notice of the hearings conducted in this matter. Therefore, the panel has dismissed all claims against Wegard without prejudice.

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. Marchand is hereby liable and shall pay to Mark Lang compensatory damages in the amount of \$7,500.00, without interest.
2. John Lang's claims are dismissed in their entirety.
3. All further requests for relief are denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. will retain the \$120.00 non-refundable filing fee paid by Claimants and have assessed the following forum fees:

1 pre-hearing conference x \$400.00	= \$ 400.00
2 hearing sessions x \$400.00	= <u>\$ 800.00</u>
Total forum fees	= \$1,200.00

1. Claimants are hereby jointly and severally liable for the sum of \$600.00, representing one-half of the total forum fees assessed. Claimants deposited \$400.00, and, therefore, Claimants shall pay the balance of \$200.00.
2. Marchand is hereby liable and shall pay the sum of \$600.00, representing one-half of the total forum fees assessed.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS' SIGNATURES



Earle R. Frost, Jr., Esq.
Chairperson-Public Arbitrator

Stephen Cartwright
Industry Arbitrator

Date of Decision: March 13, 1998

ARBITRATORS' SIGNATURES

Earle R. Frost, Jr., Esq.
Chairperson-Public Arbitrator



Stephen Cartwright
Industry Arbitrator

Date of Decision: March 13, 1998