

AMERICAN STOCK EXCHANGE  
IN THE MATTER OF ARBITRATION BETWEEN

CASE: ROBERT & BETTY PLATT V. KIDDER, PEABODY & CO., INC.

# 97-01

DATE FILED: 10/11/95 FIRST SCHEDULED: 12/2 & 12/3 DECIDED: 1/6/97

CASE SUMMARY: Customer v. Member limited partnership dispute involving Wingate Insured Partners and Polaris Aircraft Income Fund V. Customer alleges fraudulent, intentional and negligent conduct. Respondent objects to all claims.

CLAIMANT'S INITIALS: RP RESPONDENT'S: JP THIRD PARTY'S INITIALS: \_\_\_\_\_

SESSIONS: 1-4

CLAIM AND AWARD DATA:

CLAIM: \$100,000,	3rd PTY: N/A	AWARD: Denied
PUNITIVE: N/A	PUNITIVE: N/A	PUNITIVE: N/A
ATTY FEES: N/A	ATTY FEES: N/A	ATTY FEES: N/A
DEPOSIT: \$650.00	DEPOSIT: N/A	DEPOSIT: N/A
COSTS: _____	COSTS: _____	COSTS: _____

DECISION: The undersigned arbitrators have decided and determined in full and final settlement of all claims between the parties that:

SEE ATTACHED.

ATTORNEY:

Frederick Keitel, Esq. - Representing Claimants - Private Practice -  
Palm Beach, Florida.  
George Richardson, Esq. - Representing Respondent - Shanley & Fisher  
New York, N.Y.

ARBITRATORS \*\*

Robert Shavick, Esq.  
Paul Lilling  
Robert Howard

Robert Shavick  
SIGNATURE

Paul Lilling  
SIGNATURE

Robert Howard  
SIGNATURE

CITY: TAMPA STATE: FLORIDA DATE: January 6, 1997

Additional pages may be attached.  
(Dissents)

## **AMERICAN STOCK EXCHANGE AWARD**

In the Matter of the Arbitration Between

Robert A. Platt and Betty Platt, Claimants

and

Kidder Peabody & Co. Incorporated, Respondent

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### **CASE SUMMARY**

Claimants alleged that Respondent willfully and intentionally damaged Claimants by embarking on an unlawful course of conduct by failure to supervise its registered representative; by intentionally or otherwise permitting unsuitable investments in violation of Claimants investment objectives; violating the applicable sections of the NASD Rules of Fair Practice; and further violating its fiduciary duty to Claimants by engaging in fraudulent, intentional and negligent conduct. The account was registered in the name of Robert A. Platt as trustee under a revocable trust. Therefore further comments will make reference to him, but are binding on both Complainants.

Investments in Wingate Insured Partners Limited Partnership, and Polaris Aircraft Income Fund V, a California Limited Partnership are subject matter of the within Claim. Mr. Platt, was a college graduate and a retiree after 37 years with General Electric Corporation, where he rose through the ranks to a managerial position. Although not an active stock market trader he nevertheless was familiar securities, mutual funds, certificates of deposit and the like. He testified that he did not read or review either prospectus and therefore ignored the references to risk factors in each prospectus. He now comes before the Panel seeking redress for his alleged losses.

### **RELIEF REQUESTED**

Claimant seeks compensatory damages in excess of \$100,000.00 and for such other relief that the Panel deems just and proper.

*Platt*  
*#97-01*

## **AWARD**

After consideration of the pleadings, the testimony, and the evidence presented at the Hearing Sessions, and the post-hearing submissions, the Arbitrators have unanimously decided in a full and final resolution of the issues submitted as follows:

Claimant was an investor of substantial means which he set forth in a brokerage account application. As a shareholder in General Electric Corporation he certainly was cognizant of the stock market and its movements and cannot be considered a naive and unsophisticated investor. In the unread prospectuses there were caveats stating that they were not marked to the market; that there is no assurance that the investment objectives will be achieved; and that the securities offered involved a number of significant risks, plus other caveats.

In view of the foregoing Respondent, Kidder, Peabody & Co. Incorporated is found not liable and therefore, all claims against are hereby dismissed in toto. It is further ruled that the deposit heretofore made by Claimant be retained by the American Stock Exchange. Additionally, each Party shall bear its own costs incurred in connection with this proceeding, including, but not limited to attorneys fees.

#97-01