

**Award**  
**NASD Regulation, Inc.**

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In the Matter of the Arbitration Between:

Mary C. Young, Claimant vs. J.C. Bradford & Company and Cliff Vatter,  
Respondents.

Case Number: 99-01847

Hearing Site: Nashville, Tennessee

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**REPRESENTATION OF PARTIES**

Claimant, Mary C. Young ("Young"), hereinafter referred to as "Claimant", was represented by Craig R. Allen, Esq., of Foster, Foster, Allen & Durrence, P.C., Chattanooga, Tennessee.

Respondents, J.C. Bradford & Company ("J.C. Bradford"), and Cliff Vatter ("Vatter"), hereinafter collectively referred to as "Respondents", were represented by Claude O. Ramer, II, Esq., of J.C. Bradford & Company, Nashville, Tennessee.

**CASE INFORMATION**

Statement of Claim filed on or about: April 21, 1999

Claimant, Mary C. Young, signed the Uniform Submission Agreement: March 31, 1999

Joint Statement of Answer filed by Respondents on or about: July 15, 1999

Respondent, Cliff Vatter, signed the Uniform Submission Agreement: June 18, 1999

Linda G. Willis, Esq., associate general counsel for Respondent, J.C. Bradford & Company, signed the Uniform Submission Agreement: July 2, 1999

**CASE SUMMARY**

Claimant asserted the following causes of action: negligent or intentional misrepresentation; common law fraud; breach of fiduciary duty; negligent supervision; and violation of federal and state securities laws. The causes of action relate to the purchase of Service Merchandise corporate bonds.

Unless specifically admitted in their Joint Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a cause of action upon which relief can be granted; violation of the applicable statute of limitations; ratification; contributory negligence; assumption of the risk; waiver; estoppel; laches; and failure to mitigate.

### RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 98,000.00
Attorneys' Fees	\$unspecified
Punitive Damages	\$unspecified
Other Costs	\$unspecified

Claimant also requested rescission of the purchase of bonds giving rise to the Claim.

At the hearing, Claimant modified her request, requesting:

Compensatory Damages	\$ 69,853.50
Punitive Damages	\$ 25,000.00
Attorneys' Fees	\$ 20,250.00
Interest at 9% for 275 days	\$ 5,956.50

Respondents requested that the claims be denied in their entirety, and that Claimant be required to pay all costs and appropriate attorneys' fees.

### OTHER ISSUES CONSIDERED AND 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.

### AWARD

After considering the pleadings and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel finds in favor of the Claimant and awards **\$30,000.00** in compensatory damages to Claimant, for which Respondents, J.C. Bradford & Company and Cliff Vatter, are jointly and severally liable.

Any and all relief not specifically addressed herein, including punitive [treble] damages, is denied.

### FEES

Pursuant to the Code, the following fees are assessed:

#### Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$225

**Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings. In this matter, the member firms is J.C. Bradford & Company

Member surcharge	= \$1,000
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$1,500

**Forum Fees and Assessments**

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$750	= \$ 750
Pre-hearing conference: November 4, 1999	1 session

One (1) Pre-hearing session - single arbitrator x \$450	= \$ 450
Pre-hearing conference: May 23, 1999	1 session

Two (2) Hearing sessions x \$750	= \$1,500
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Hearing Date: July 18, 2000	2 sessions
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Total Forum Fees	= \$2,700
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The Panel has assessed 100% of the forum fees to J.C. Bradford & Company and Cliff Vatter, jointly and severally.

Claimant will receive a refund of the \$750 Hearing Session Deposit paid to the NASD.

**Fee Summary**

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 225
Forum Fees	= \$( 750)
Total Fees	= \$ 225
Less payments	= \$ 975
Balance Due NASD Regulation, Inc.	= \$( 750)

NASD Regulation, Inc., will refund this \$750 to Claimant.

2. Respondent, J.C. Bradford & Company, be and hereby is solely liable for:

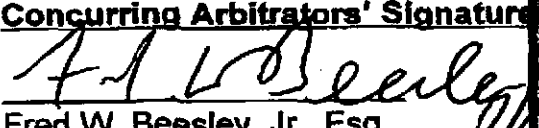
Member Fees	= \$ 1,000
Hearing Processing Fees	= \$ 1,500
Pre-Hearing Processing Fees	= \$ 600
Total Fees	= \$ 3,100
Less payments	= \$ 3,100
Balance Due NASD Regulation, Inc.	= \$ 0

3. Respondents, J.C. Bradford and Vatter, be and hereby are jointly and severally liable for:

Forum Fees	= \$ 2,700
Total Fees	= \$ 2,700
Less payments	= \$ 0
Balance Due NASD Regulation, Inc.	= \$ 2,700

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

  
Fred W. Beesley, Jr., Esq.  
Public Arbitrator, Presiding Chair

24 Aug 2000  
Signature Date

\_\_\_\_\_  
Norman W. Ginsberg  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
R. Thomas Barksdale  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD office use only)

Registration # 99-01847

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2. Respondent, J.C. Bradford & Company, be and hereby is solely liable for:

Member Fees	= \$ 1,000
Hearing Processing Fees	= \$ 1,500
Pre-Hearing Processing Fees	= \$ 600
Total Fees	= \$ 3,100
Less payments	= \$ 3,100
Balance Due NASD Regulation, Inc.	= \$ 0

3. Respondents, J.C. Bradford and Vatter, be and hereby are jointly and severally liable for:

Forum Fees	= \$ 2,700
Total Fees	= \$ 2,700
Less payments	= \$ 0
Balance Due NASD Regulation, Inc.	= \$ 2,700

All balances are due to NASD Regulation, Inc.

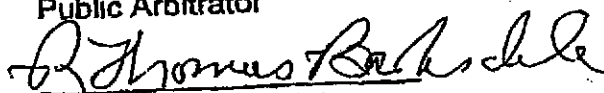
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Fred W. Beesley, Jr., Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

\_\_\_\_\_  
Norman W. Ginsberg  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
R. Thomas Barksdale  
Industry Arbitrator

8/23/00  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD office use only)

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Respondent, J.C. Bradford &amp; Company, be and hereby is solely liable for:

Member Fees	= \$ 1,000
Hearing Processing Fees	= \$ 1,500
Pre-Hearing Processing Fees	= \$ 600
Total Fees	= \$ 3,100
Less payments	= \$ 3,100
Balance Due NASD Regulation, Inc.	= \$ 0

3. Respondents, J.C. Bradford and Vatter, be and hereby are jointly and severally liable for:

Forum Fees	= \$ 2,700
Total Fees	= \$ 2,700
Less payments	= \$ 0
Balance Due NASD Regulation, Inc.	= \$ 2,700

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

Fred W. Beesley, Jr., Esq.  
Public Arbitrator, Presiding Chair

Signature Date

  
Norman W. Ginsberg  
Public Arbitrator

8/23/00  
Signature Date

R. Thomas Barksdale  
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)