

**Award**  
**NASD Dispute Resolution, Inc.**

The Matter of the Arbitration Between

Names of Claimants

Harold Banks and Derrick B. Banks JTWROS  
Harold Banks and Hazel L. Banks JTWROS

Case No. 01-01746

Name of Respondent

Patterson Travis, Inc.

Hearing Site: Atlanta, Georgia

**REPRESENTATION OF PARTIES**

For Claimants Harold Banks and Derrick B. Banks JTWROS and Harold Banks and Hazel L. Banks JTWROS, hereinafter collectively referred to as "Claimants": Daniel I. MacIntyre, Esq. and Samuel T. Brannan, Esq., Shapiro Fussell Wedge Smotherman Martin & Price, LLP, Atlanta, Georgia.

For Patterson Travis, Inc., hereinafter referred to as "Respondent": David Travis, President, Patterson Travis, Inc.

**CASE INFORMATION**

Statement of Claim filed on or about: April 5, 2001.

Claimants signed the Uniform Submission Agreements: April 2, 2002 and July 4, 2001.

Answer to Claimants' Claim by Respondent Patterson Travis, Inc. filed on or about: June 5, 2001.

Amendment to Answer to Claimants' Claim by Respondent Patterson Travis, Inc. and Statement by Mr. John Lewer filed on or about: July 5, 2001.

Respondent signed the Uniform Submission Agreement: June 5, 2001.

**CASE SUMMARY**

Claimants asserted the following: Claimants were completely unsuitable for the risky investments Respondent purchased for Claimants' accounts; Respondent mismanaged Claimants' accounts; and, as a controlling person, Respondent failed to properly supervise its employee. The causes of action relate to Claimants' purchases in various penny stocks, including SCNV Acquisition Corp. and Spectrumedix Corp.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

### **RELIEF REQUESTED**

Claimants requested compensatory damages of \$50,000.00, inclusive of punitive damages, plus interest and attorneys' fees.

Respondent requested judgment dismissing Claimants' claims, along with costs and legal fees and such other and further relief that would be just and proper in this matter.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent asserted a motion to dismiss based upon the expiration of the statute of limitations. The Arbitrator denied the motion.

### **AWARD**

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimants Harold Banks and Hazel L. Banks, JTWROS the sum of \$19,162.00, plus pre-judgment interest in the sum of \$1,904.68 from June 3, 1999 until January 3, 2002. Compensatory damages are awarded to Claimants Harold Banks and Hazel L. Banks JTWROS as a result of the purchase of unsuitable securities in the account.

Respondent is liable and shall pay to Claimants Harold Banks and Hazel L. Banks, JTWROS the sum of \$7,500.00 in attorneys' fees pursuant to O.C.G.A. 51-11-5.1.

All claims of Claimants Harold Banks and Derrick B. Banks JTWROS are denied.

Respondent is liable and shall pay to Claimants, collectively, the sum of \$175.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution, Inc.

Any and all requests for relief not specifically addressed herein, including Claimants' request for punitive damages, are denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees

are assessed:

**Filing Fees**

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

Initial claim filing fee = \$175.00

**Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$800.00  
Pre-hearing process fee = \$600.00  
Hearing process fee = \$1,000.00

**Adjournment Fees**

Adjournments requested during these proceedings:

December 5 and 6, 2002, Hearing Dates, adjournment by Respondent = \$450.00

**Forum Fees and Assessments**

The panel has the authority to assess 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 Pre-hearing session with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference: September 6, 2001	1 session
Three Hearing sessions x \$450.00	= \$1,350.00
Hearing Dates: March 25, 2002	2 sessions
March 26, 2002	1 session

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Total Forum Fees = \$1,800.00

The Arbitrator has assessed \$900.00 of the forum fees to Claimants Harold Banks and Derrick B. Banks JTWROS.

The Arbitrator has assessed \$900.00 of the forum fees to Respondent.

**Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

**Fee Summary**

All Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee = \$175.00

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Total Fees = \$175.00

Less payments = \$175.00

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Balance Due NASD Dispute Resolution, Inc. = \$0.00

Claimants Harold Banks and Derrick B. Banks JTWROS be and hereby are jointly and severally liable for:

Forum Fees = \$900.00

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Total Fees = \$900.00

Less payments = \$450.00

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Balance Due NASD Dispute Resolution, Inc. = \$450.00

Respondent be and hereby is solely liable for:

Member Fees = \$2,400.00

Adjournment Fee = \$450.00

Forum Fees = \$900.00

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Total Fees = \$3,750.00

Less payments = \$2,850.00

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Balance Due NASD Dispute Resolution, Inc. = \$900.00

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon the parties' receipt of the Award pursuant to Rule 10330(g) of the Code.

**ARBITRATOR**

*John C. Yeoman, Jr.*

*Public Arbitrator, Presiding Chair*

**Arbitrator's Signature**

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John C. Yeoman, Jr.  
Public Arbitrator, Presiding Chair

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Signature Date

May 14, 2002  
Date of Service (For NASD-Dispute Resolution office use only)

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Arbitrator's Signature

  
John C. Yeaman, Jr.  
Public Arbitrator, Presiding Chair

  
Signature Date

Date of Service (For NASD-Dispute Resolution office use only)