

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	}	A W A R D 87-2053 and 87-2054
James A. and Florence M. Phelps		
Claimants		
and		
K.A. Knapp and Company, Inc.;		
Kirk A. Knapp and		
Jonathan Edwards		
Respondents		

On Thursday, April 27, 1989 in St. Louis, Missouri, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on October 26, 1988 by Claimants James A. and Florence M. Phelps, on January 11, 1988 by John L. Pehrson, President on behalf of Respondent K.A. Knapp and Company, Inc. and on February 17, 1988 by Respondent Jonathan Edwards.

Respondent Kirk A. Knapp did not execute a submission to arbitration or appear at the hearing on April 27, 1989. He did, however file an Answer to each Claim. By virtue of Respondent Kirk A. Knapp's association with an NASD member firm at the time the dispute arose, Respondent Kirk A. Knapp is required to submit to arbitration at the request of the Claimants in this matter pursuant to Section 12(a) of the NASD Code of Arbitration Procedure and the NASD By-Laws. Accordingly, Respondent Kirk A. Knapp is bound by the arbitrators' final decision on all matters submitted for determination.

As a preliminary matter, it was brought to the attention of the NASD that Respondent K.A. Knapp and Company, Inc. had filed for bankruptcy under Chapter 7 of Title 11 of the United States Code. The letter indicating the bankruptcy status of Respondent K.A. Knapp and Company, Inc. was read into the record at the hearing. Accordingly, the claims asserted against Respondent K.A. Knapp and Company, Inc. are automatically stayed pursuant to 11 U.S.C. 362 and said party Respondent was removed from this action.

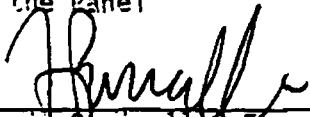
Due to the failure of one arbitrator to appear on April 27, 1989, the parties who appeared at the hearing either in person or via telephone stipulated that the hearing could proceed with two arbitrators. Therefore, the arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has unanimously decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted against remaining Respondents Kirk A. Knapp and Jonathan Edwards by Claimants James A. and Florence M. Phelps are denied and dismissed in their entirety;

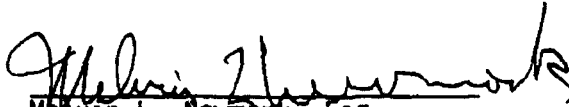
2. The parties shall each bear their respective costs and expenses including any attorneys' fees incurred in connection with this matter; and

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, shall retain as forum fees the \$200.00 filing fee previously deposited with the NASD by the Claimants Florence M. and James A. Phelps.

By the Panel



Firmin Puricelli, Esq.
Chairman



Melvin L. Newmark, Esq.