

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between	:	
	:	
Tim W. Stark	:	AWARD
	:	
Claimant	:	#88-01541
	:	
vs.	:	
	:	
Blinder, Robinson & Co., Inc.	:	
Jim Ferguson	:	
	:	
Respondents	:	

Case Summary

This proceeding was commenced by the Claimant to recover damages from the Respondent arising from losses in Claimant's securities account which the Respondent maintained from approximately July 1986 until approximately December 1987. Claimant's claim was based upon alleged misrepresentations and omissions to state material facts regarding the securities sold to him by his account executive, Jim Ferguson, as well as allegations that Respondent manipulated the market prices of such securities. The Claimant also alleged that such securities were unsuitable for him, and that Respondent charged unfair prices for such securities. The specific securities involved were CDT Ventures, Inc. and First Colonial Ventures, Ltd.

Claimant alleged that the above conduct violated Sections 17(a) and 12(2) of the Securities Act of 1933, as amended, Section 10(b) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. Claimant also claimed violations of Article III, Sections 1 and 2 of the NASD Rules of Fair Practice, as well as breach of fiduciary duty and failure to honor instructions under the common law of the state of Georgia.

Respondents contended that the Claimant's investment objective, as illustrated by the new account card, demonstrated that the Claimant sought growth with risk, that the securities recommended were suitable for the Claimant and that the Respondents did not fail to execute any trade order submitted by the Claimant. Respondents also denied the allegations that the market prices of the above securities were manipulated and that the Respondents charged unfair prices for such securities.

Relief Requested

Claimant requested compensatory damages in the amount of \$52,040.00, including interest, attorney fees, litigation costs and punitive damages. Respondents requested that the claim be dismissed in its entirety and for such other relief as, deemed appropriate by the panel.

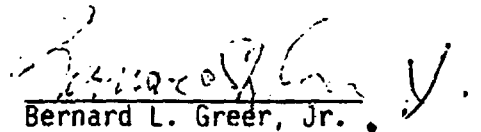
Award

On May 9 and June 29, 1989, said dates representing four hearing sessions in Atlanta, Georgia, the undersigned arbitrators heard the controversy between the parties as submitted to arbitration by Claimant on May 11, 1989. After presentation of the evidence, the Claimant waived its claim against the broker, James Ferguson. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

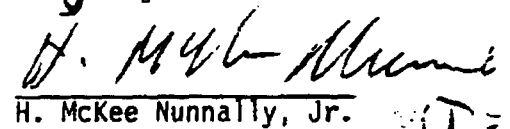
1. The Respondent Blinder, Robinson & Co., Inc. shall be liable and shall pay to the Claimant Tim W. Stark the sum of \$62,652.70 such amount representing the Claimant's actual damages including interest.
2. The claim of the Claimant Tim W. Stark against the Respondent Blinder, Robinson & Co., Inc. for punitive and RICO damages shall be denied.
3. The Respondent Blinder, Robinson & Co., Inc. shall be liable and shall pay the Claimant Tim W. Stark \$7,500.00, such amount representing the Claimant's attorney fees. The parties shall each bear their other respective costs including attorney fees.

4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant. In addition, the NASD shall assess the Respondent Blinder, Robinson & Co., Inc. \$1,500.00 in forum costs for three of the four hearing sessions conducted.

This day July 7, 1989

  
Bernard L. Greer, Jr.

  
Joe Arogeti

  
H. McKee Nunnally, Jr.

DATED: August 11, 1989