

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between :  
: :  
David W. Gatling : AWARD  
: #88-01943  
Claimant :  
vs. :  
: :  
Sherwood Capital, Inc. :  
Respondent :  
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Case Summary

Claimant David W. Gatling ("Gatling") claims arise from the offer and sale by the broker, Edward Marshall ("Marshall") of several over-the-counter stocks, Investment Technologies, Inc. and Entell Corporation. The Claimant alleged that Marshall an agent of the Respondent Sherwood Capital, Inc. ("Sherwood") did not provide prior to the initial purchase a prospectus and oral or written disclosure of the stocks. The Claimant also alleged that Marshall did not explain the commission fee structure of the stocks purchased and the role of Sherwood in making a market in over-the-counter stocks. Moreover, the Claimant alleged that Marshall's recommendation of the stocks were unsuitable and that certain information concerning the price of the stocks were misrepresented to the customer. The Respondent alleged that Gatling was informed of the risks, provided with a prospectus before the stocks were purchased and the stocks were suitable for the customer.

Relief Requested

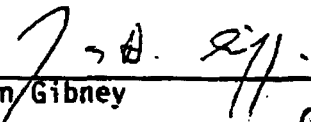
The Claimant requested compensatory damages in the amount of \$14,295.00, including attorney fees, the cost of the proceeding and interest. The Claimant also requested exemplary damages in the amount of \$12,825.00 and such other and further relief as the arbitration panel deemed appropriate. The Respondent requested the dismissal of the claims.

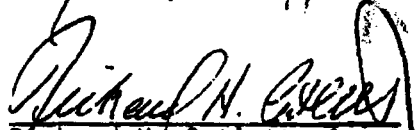
Award

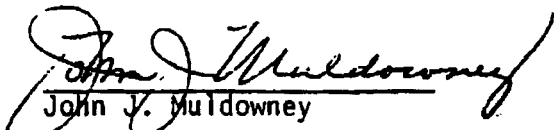
On March 25, 1989 in Norfolk, Virginia, the undersigned arbitrators heard the controversy between the parties as submitted to arbitration by Claimant on June 16, 1988. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. The Respondent shall pay to Claimant the sum of Nine Thousand Seven Hundred Twenty Dollars and No Cents (\$9,720.00), such amount representing the actual damages, interest and attorney fees.
2. The parties shall each bear their respective costs.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the Five Hundred Dollar and No Cents (\$500.00) filing fee previously deposited by the Claimant.

This day June 27, 1989

  
John Gibney

  
Richard H. Catlett, Jr.

  
John J. Muldowney

Note: Fill out only those sections which apply to this particular case: Case Number 88-01958

- 1) Case Dismissed \_\_\_\_\_
- 2) Find for the Claimant  
(a) total amount of the award: \$ 2,234.00  
(b) if two or more respondents are liable: yes X no \_\_\_\_\_  
(1) joint and severally liable:  
(2) if respondents separately liable  
list party and the amounts: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 3) Counterclaim of Respondent  
(a) total amount of award: \$ \_\_\_\_\_  
(b) party to receive award: \_\_\_\_\_  
(c) counterclaim dismissed: \_\_\_\_\_
- 4) Punitive Damages  
(a) total amount \$ \_\_\_\_\_  
(b) name parties against whom damages are to be assessed and in what amounts: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- (c) claim dismissed: \_\_\_\_\_
- 5) NASD Fee  
(a) assessed against Claimant  
(b) assessed against Respondent X
- 6) Use this space to expand or clarify any part of the decision above or to indicate other forms of specific relief. \_\_\_\_\_

Affirmation

STATE OF District of Columbia } SS:  
COUNTY OF District of Columbia }

I, Peter E. Walker, Jr., do hereby affirm upon my oath as arbitrator that I am the individual described in and who executed this instrument, which is my oath and award.

Jan 4 1990  
(DATE)

Peter E. Walker, Jr.  
(SIGNATURE OF ARBITRATOR)