

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)

GRIFFIN FINANCIAL SERVICES)

Claimant)

and)

HUGH G. SMITH LUMBER CO.
AND HUGH G. SMITH)

Respondents)

CASE NO. 88-02109

CASE SUMMARY

Griffin Financial Services ("Claimant") alleges that Hugh G. Smith Lumber Co. and Hugh G. Smith (collectively referred to as "Respondents") did not submit sufficient documentation to complete a sale of 100 shares of AEP and 437 shares of Sears. Claimant alleges that these shares were sold and the proceeds were forwarded to Respondent. Claimant alleges that request were made of the Respondent for a corporate resolution, confirming Respondent's authority to sign the certificates tendered to Griffin Financial Services on behalf of the corporation. Claimant alleges that since the securities could not be transferred out of Hugh G. Smith Lumber Co.'s name, the dividend continued to be sent to Respondent. Ultimately, the securities had to be bought in the stock to replace the non-negotiable stock.

Respondent generally denies the allegations set forth in the Statement of Claim. Respondent states that a corporate resolution accompanied the tendered stock certificates sent to Savings of America and sale orders were placed on June 3, 1985.

Respondent states that several dividend checks were cashed in error. However, dividends were received and cashed for that period when the Respondent was the holder of record.

RELIEF REQUESTED

Claimant requests damages in the amount of \$24,523.26 plus legal interest from the date of filing to the entry of award and reimbursement of the filing fee.

Respondent requests that the claim be dismissed and request reimbursement for any legal expenses incurred.

AWARD

On March 12, 1990, during a hearing in Dallas, Texas lasting one session, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on June 22, 1988 by Claimant Gary Virnick on, on behalf of Claimant Griffin Financial Services and and on January 24, 1989 by Respondent Hugh G. Smith for Hugh G. Smith Lumber Company.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Hugh G. Smith Lumber Company is found liable and shall pay as damages the sum of \$20,405.20 (Twenty Thousand Four Hundred Five Dollars and Twenty Cents)

2. Hugh G. Smith Lumber Company shall pay to Griffin Financial Services the amount of \$900.00 (Nine Hundred Dollars and No Cents), representing the filing fee.

3. The claim for interest was denied.

4. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$900.00 filing fee previously deposited with the NASD by the Claimant Griffin Financial Services.

By the Panel

Dated: 03/12/90

/S/ Henry F. Zimmerman
Presiding Chair

Dated: 03/12/90

/S/ William N. Hayes

Dated: 03/12/90

/S/ P. Michael Armstrong