

( NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Karina Dahmen

Claimant

vs.

Dillon Securities, Inc.

Respondent

CASE NO. 88-02683

SUMMARY OF ISSUES

Claimant filed this claim with the NASD on August 23, 1988 and alleged that the low-priced gold and mining securities recommended by a broker employed by Respondent were unsuitable and were sold to her in violation of industry practices, and state and federal securities laws. Specifically Claimant alleged that she was sold unregistered securities and that she was advised by her broker to sign non-solicitation cards in connection with her purchases but that the investments were in fact solicited.

( Respondent maintained that it relied upon the non-solicitation cards signed by Claimant, that it would not have consummated the transactions had the non-solicitation cards not been delivered, and that Claimant's actions were designed to deceive Respondent in not disclosing that the transactions were with a California resident. Respondent further maintained that it qualified for registration exemptions in connection with securities listed on a foreign exchange and for unsolicited sales in securities which the broker is publishing quotations. Respondent further maintained that the applicable statutes of limitations regarding the transactions complained of have expired.

DAMAGES AND RELIEF REQUESTED

Claimant requested rescission of all transactions or the sum of \$10,000.00, interest at the rate of 10% in the amount of \$2,000.00, reasonable attorneys' fees in the amount of \$5,000.00, and punitive damages in the amount of \$25,000.000.

Respondent requested dismissal of the claim and costs.

DAMAGES AND RELIEF AWARDED

( On November 30, 1989 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on July 12, 1988 and by Respondent on November 8, 1988. The hearing was held in Los Angeles, California and lasted one (1) session. The arbitration panel, having considered the pleadings, the testimony, the

evidence presented at the hearing and in post-hearing submissions, has determined in full and final resolution of the issues submitted for determination as follows:

1. Each and every claim is hereby dismissed.
2. The parties shall each bear their respective costs including attorneys' fees.
3. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. ("NASD") Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant.

OTHER ISSUES

The parties stipulated to the execution and service of the award in counterpart copies.

ARBITRATORS CONCURRING

DATE SERVED: 01/22/90

\_\_\_\_\_  
Charles R. Hartman, III

\_\_\_\_\_  
Howard A. Emirhanian

\_\_\_\_\_  
Robert C. Crary