

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between :
: Edward H. Adams : AWARD
: Claimant : #88-02806
vs. :
Blinder, Robinson & Co., Inc. :
Paul David Miller :
Thomas Gregg Holloway :
Respondents :

Case Summary

Claimant Edward H. Adams alleged that Respondents Blinder, Robinson & Co., Inc., Paul David Miller and Thomas Gregg Holloway placed the Claimant into three unsuitable penny stocks: American Dynamics Corp., Dixcom, Inc., Enertrac, Inc. Claimant alleged that Respondents failed to disclose risks, that they made material misrepresentations and recommended stocks without a good faith basis to make the recommendations. Claimant alleged that the Respondent purposely made the misrepresentation in order to induce the Claimant to purchase the stocks.

Respondent Blinder, Robinson & Co., Inc. specifically denied the Claimant's claim and crossed claimed against the Respondents maintaining that any wrongdoing was by Respondents Miller and Holloway and was outside the scope of there authority.

Respondent Miller maintained that he relied on the information from Blinder, Robinson & Co., Inc. when making recommendations, that he did not make any material misrepresentations and that Claimant had a duty to mitigate his damages. Respondent Holloway specifically denied any wrongdoing.

Relief Requested

Claimant requested damages in the amount of \$4,550.00 plus interest, costs and attorney fees.

Respondent Blinder, Robinson & Co., Inc. requested that Claimant's claim be dismissed in its entirety and crossclaimed for indemnification by Respondents Holloway and Miller if adjudged liable.

Respondents Holloway and Miller requested that Claimant's claim be dismissed in its entirety.

Award

On April 30, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Edward H. Adams on August 31, 1988, by Respondent Blinder, Robinson & Co., Inc. on February 27, 1989 and by Respondent Gregg Holloway on April 3, 1989. Respondent Paul David Miller did not execute a Submission Agreement; however, he did attend the hearing. Pursuant to Section 12(a) of the Code Arbitration Procedure, the presiding arbitrator exercised his jurisdiction over Respondent Miller. The arbitrator, 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. That Claimant's claim is denied in its entirety.
2. That the crossclaim of Blinder, Robinson & Co., Inc. is denied in its entirety.
3. That all claims between Claimant and Respondent Blinder, Robinson & Co., Inc. have been settled.
4. The parties shall each bear their respective costs including attorney fees.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$100.00 filing fee previously deposited by the Claimant as costs of the single hearing session conducted in this matter.

CONCURRING ARBITRATOR

/s/
James P. McCrocklin