

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

CAROLINE JANES TODD

Claimant

and

CRAIG-HALLUM, INC. AND
BRUCE HENDRY

Respondents

CASE NO. 88-02876

CASE SUMMARY

In a claim filed with the NASD on September 13, 1988, Claimant Caroline Janes Todd ("Claimant") alleged that Respondents Craig-Hallum, Inc. and Bruce Hendry (collectively as "Respondents") made an unauthorized purchase of 1000 shares of Kaiser Steel Corporation Series B Preferred Stock. Claimant further alleged that Respondents misrepresented the stock and failed to disclose material facts to induce claimant to retain the stock.

In their joint answer and counterclaim filed with the NASD on November 4, 1988, Respondent denied the allegations of claimant. Respondents contended that claimant is an experienced investor; that claimant authorized and ratified all transactions in her account; that claimant failed to state a claim upon which relief can be granted; and that the claims of claimant are barred by the statute of limitations. In their counterclaim, Respondent alleged that claimant brought this claim in bad faith.

In her reply to counterclaim filed with the NASD on February 21, 1989, Claimant denied that she filed the statement of claim in bad faith.

RELIEF REQUESTED

Claimant requested an award in the amount of \$20,000.00, reasonable attorneys' fees, interest and costs. Respondents requested an award dismissing the statement of claim and an award of attorneys' fees and costs.

(

On Friday, January 26, 1990 in Minneapolis, Minnesota during a hearing lasting two sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on September 8, 1988 by Claimant Caroline Janes Todd, on October 24, 1988 by Richard Heimerl on behalf of Respondent Craig-Hallum, Inc. and on October 24, 1988 by Respondent Bruce Hendry.

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. The statement of claim shall be and hereby is dismissed and denied;
2. The parties will each bear any other costs and expenses not specified herein including attorneys' fees which were incurred in this matter; and
3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimant and Respondent is hereby assessed and shall pay to the NASD as additional forum fees, the sum of \$400.00.

By the Panel

Dated: 1-26-90 /S/ Roger George Lindquist
Presiding Chair

Dated: 1-26-90 /s/ Stephen B. Young, Esq.

Dated: 1-26-90 /S/ John Robert Kelly

Date Served: 2-5-90