

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In The Matter of The Arbitration Between

OTRA Clearing, Inc. Claimant

vs.

Bliss Securities, Inc. Respondent

Bliss Securities, Inc. Third Party Claimant

vs.

Paragon Capital Third Party Respondents
Greentree Securities
Robert B. Ginberg

Award
(Summary Decision)

NASD No. 88-02967

SUMMARY OF ISSUES

This claim was filed on September 19, 1988. Claimant alleged the following: On or about May 10, 1988, while claimant was providing fully disclosed securities clearing services for respondent (formerly Guildcor Financial, Inc.), Bliss ran a trade for sale of 120,000 units of Oxford Acquisitions Group, a "short" sale, with a listed value of \$7,500. Bliss sold the 120,000 units at a trade price of 6.25 cents per unit but failed and refused to deliver the securities on settlement date. Claimant negotiated a buy-in purchase to cover the short sale at 80 cents per unit for a total purchase price of \$96,000.00. Claimant alleged a breach of contract for respondent's failure to deliver said securities.

Respondent Bliss filed a Statement of Non-Opposition to Request for Summary Decision of Claimant (dated January 19, 1990) for damages of no more than \$88,500.00 in general damages and \$3,200.00 in costs and attorney's fees. Bliss filed an Amended Answer and Third Party Claim against Paragon Capital (Paragon), Greentree Securities Corporation (Greentree), and Robert B. Ginberg (Ginberg), an individual formerly associated with Greentree Securities and presently affiliated with Paragon Capital. Paragon Capital denied the claims of Bliss.

DAMAGES AND RELIEF REQUESTED

Claimant requested compensatory damages of \$88,500.00 and attorney's fees and costs of \$3,200.00.

DAMAGES AND RELIEF AWARDED

On March 5, and March 12, 1990 in San Francisco, California the undersigned arbitrators heard the controversy in two sessions between the parties as set forth in submissions to arbitration signed by Claimant on September 15, 1988 and by Respondents Ginberg on March 1, 1990, Bliss on December 2, 1988 and Paragon on July 18, 1989. Greentree did not file a submission agreement, answer or appear. 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. Respondent Bliss, only, is liable for and shall pay to Claimant the sum of \$88,500.00 in general damages and \$3,200.00 in attorney's fees and costs.
2. The third party claims by Bliss against Ginberg, Greentree and Paragon are dismissed by Bliss.
3. The third party counterclaims by Paragon and Ginberg are pending.
4. In accordance with Section 43 of the National Association of Securities Dealers, Inc (NASD) Code of Arbitration Procedure, the NASD shall retain the \$750.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrator.

ARBITRATORS CONCURRING

DATE SERVED: 04/30/90

Diana G. Davis

David N. Mahler
David N. Mahler

Mitchell Cutler Green