

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

William K. & Christine C. Veach
and Aaron C. Veach

88-03371

Name of Respondent(s)

Blinder Robinson & Co., Inc.
Larry Shedarck Aforigho

OCT 2 1990

CASE SUMMARY

In a Statement of Claim filed with the NASD on November 1, 1988, Claimants William K. Veach, Christine C. Veach and Aaron C. Veach alleged that Respondents engaged in unauthorized trading and churned their common Stock account.

In a Statement of Answer filed with the NASD on February 2, 1989, Respondents Blinder, Robinson & Co., Inc. and Larry Shedarck Aforigho denied the allegations of unauthorized trading and churning. In addition, Respondent Blinder, Robinson denied it failed to supervise Respondent Aforigho so as to create independent liability for itself. As affirmative defenses, Respondents allege: 1) Claimants failed to state a Claim upon which relief can be granted; 2) the damages sought are speculative, remote and unsupported by competent evidence; 3) Claimant's losses were caused by Claimants own fault or conduct; 4) Claimants breached the new account agreement by failing to object to the transactions within five days of receiving their statement; 5) any losses were caused by people or factors outside Respondent Blinder, Robinson's responsibility; and, 6) recovery is barred by Claimants failure to mitigate damages and exercise due diligence, and the doctrines of laches, waiver and estoppel.

RELIEF REQUESTED

Claimants requested an award be entered against Respondents for \$16,329.03 plus the costs of arbitration.

Respondent requested that the Statement of Claim be dismissed in its entirety.

PRELIMINARY MATTERS

Prior to hearing on July 26, 1990, Respondent Blinder, Robinson and Co., Inc. presented a Motion requesting to be allowed to present its case by telephone. The motion was granted after deliberation by the panel of arbitrators.

HEARING

On July 26, 1990 and July 30, 1990, in Houston, Texas during a hearing lasting 2 sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on October 7, 1988 by Claimants William K. Veach, Christine C. Veach and Aaron C. Veach, on February 1, 1989 by M. Dean Arkema on behalf of Respondent Blinder, Robinson & Co., Inc. and on January 3, 1989 by Respondent Larry Shedarck Aforigho. Upon motion by Respondent Aforigho, the hearing of July 26, 1990 was adjourned by the panel of arbitrators in order for counsel for Respondents to be present in person instead of by telephone. Adjournment fees to be assessed against Respondent Aforigho were waived by the panel.

The hearing reconvened on July 30, 1990 with counsel for respondents present in person. At the close of hearing, the panel of arbitrators requested post-hearing submissions on the issue of damages prior to rendering a decision.

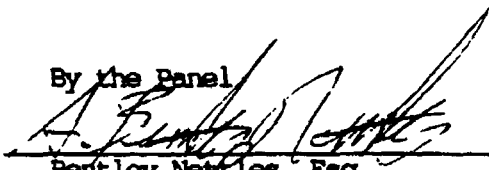
A Notice of Bankruptcy for Respondent Blinder, Robinson & Co., Inc. was received by the NASD on or about August 2, 1990. Pursuant to Section 362(a) of the Bankruptcy Code, all further proceeding against Respondent Blinder, Robinson & Co., Inc. were automatically stayed.

AWARD

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 is hereby dismissed and denied in its entirety.
2. Parties shall bear their own costs including attorneys fees.

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund as forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimants, William k. Veach, Christine C. Veach, and Aaron C. Veach. Respondent Larry Shedarck Aforigho is liable for and shall pay to the NASD forum fees in the amount of \$800.00 for the two hearing sessions.

Dated: 7-28-90 /S/ 
Bentley Nettles, Esq.

Dated: _____ /S/ _____
Mildred E. Minnix

Dated: _____ /S/ _____
Victor Montalbano

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund as forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimants, William k. Veach, Christine C. Veach, and Aaron C. Veach. Respondent Larry Shedarck Aforigho is liable for and shall pay to the NASD forum fees in the amount of \$800.00 for the two hearing sessions.

By the Panel

Dated: _____ /S/ _____
Bentley Nettles, Esq.

Dated: _____ /S/ _____
Mildred E. Minnix

Dated: 9-28-90 /S/ *Victor Montalbano*
Victor Montalbano

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund as forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimants, William k. Veach, Christine C. Veach, and Aaron C. Veach. Respondent Larry Shedarck Aforigho is liable for and shall pay to the NASD forum fees in the amount of \$800.00 for the two hearing sessions.

By the Panel

Dated: _____ /S/ _____
Bentley Nettles, Esq.

Dated: Sept. 28, 1990 /S/ Mildred E. Minnix
Mildred E. Minnix

Dated: _____ /S/ _____
Victor Montalbano