

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)

Donald D. and Sharon L. Christensen,)

Claimants,)

vs.)

Tom Sawyers and Blinder Robinson & Co.,)
jointly and severally,)

Respondents.)

A W A R D

Case No. 88-03693

SUMMARY OF ISSUES

This case was filed on November 29, 1988 claiming that Respondent Sawyers made misrepresentations to Claimant Donald Christensen, which induced Claimants to purchase 48,240 shares of Tel-Art, Inc. and 6,500 shares of Beehive International, notwithstanding that Claimants purchased 3,000 of their Beehive International shares through a broker other than Respondent Blinder Robinson. Specifically, Mr. Christensen testified that Mr. Sawyers misrepresented who would be managing the business of Beehive International, and misrepresented both the level of backlog and the existence of a Brazilian manufacturing plant as to Tele-Art. Respondents denied that the statements alleged by Claimants were made, and further denied that the alleged misrepresentations stated a claim upon which relief can be granted. Claimants also alleged that Blinder Robinson was liable jointly and severally with Mr. Sawyers on theories of respondeat superior and controlling person.

At the beginning of the hearing, all parties accepted the sole appointed arbitrator as the panel to decide all issues in this case. Sworn testimony was heard from Mr. Christensen, Mr. Sawyers and from a Mr. Robert Townshend (on behalf of Claimants). Argument was heard from all parties. Blinder Robinson was represented by legal counsel. All other parties acted pro se.

DAMAGES AND RELIEF REQUESTED

As amended by the testimony at the Hearing, Claimants sought damages of \$6,581.57, which includes interest, being the difference in value between what they paid for the Tele-Art and Beehive International Shares and what these shares were worth in the absence of the alleged misrepresentations. Claimants also asked for a rescission of their February 10, 1987 and May 5, 1987 sales of shares of Equitex, Inc. in their account at Blinder Robinson. Respondents requested dismissal of the claim and costs.

DAMAGES AND RELIEF AWARDED

On November 1, 1989, in Salt Lake City, Utah, the undersigned arbitrator heard the controversy in one session between the parties as set forth in submission agreements signed by Claimants Donald D. and Sharon L. Christensen and by Respondent Blinder Robinson & Co. The sole 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. Claimants' claims are denied in all respects.
2. The parties shall each bear their own 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 \$200.00 filing fee previously deposited by the Claimants.
4. Pursuant to Section 30 of the NASD Code of Arbitration Procedure, the NASD shall refund the \$100.00 adjournment fee previously deposited by Respondent Blinder Robinson & Co.

OTHER ISSUES

Respondent Tom Sawyers filed personal bankruptcy during the pendency of Claimants' claim, and has been granted a discharge of all claims, including those of Claimants, by the Bankruptcy Court.