

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Jana Olson & William Collins Claimants

vs.

Brennan Ross Securities, Inc. Respondents
and William Strong

AWARD

CASE NO. 89-00228

SUMMARY OF ISSUES

This case was filed on November 29, 1989. Claimants alleged Respondent Strong represented to Claimant that an investment in C-Net, Inc. would be guaranteed by Brennan Ross Securities, Inc. and that Claimants would lose no money, that Claimants elected to exercise the guarantee option and demanded return of the full amount invested in C-Net, Inc., approximately \$18,000.00, that Claimant Olson was repeatedly told by Respondent Strong that the money would be returned and it has not. Claimants also alleged that there were unauthorized transactions made in the purchase and sale of units of FOA Industries, Inc., and that Claimant Olson has not been paid for services rendered on behalf of Brennan Ross in the nature of public relations work.

Respondent Brennan Ross Securities, Inc. responded that no guarantee of any kind was made to either Claimant, that Claimants were aware of the risks of investment in securities and were aware of the bid and ask quotations at the time of each purchase, and that Claimants attempted to "free-ride" on the market by issuance of NSF checks in payment of stock purchased. With respect to the claim regarding the unauthorized purchase of FOA Industries, Inc., Respondent alleged that the claim is unfounded as no funds were ever delivered by Olson to pay for the initial purchase, and that the stock was sold at a loss, but any loss incurred was suffered by Brennan Ross. Respondent Brennan Ross also alleged that at no time did it enter into any agreement with Claimant for the performance of public relations work. Respondent Brennan Ross alleged ten affirmative defenses.

DAMAGES AND RELIEF REQUESTED

Claimants alleged damages in the amount of \$28,970.00. Respondent Brennan Ross Securities, Inc. demanded: 1) that all of Claimants' claims and allegations of damages be dismissed; and 2) that Brennan Ross be awarded

attorneys' fees and all costs and expenses of defending and appearing in this arbitration matter.

DAMAGES AND RELIEF AWARDED

On March 19, 1990, in Los Angeles, California, the undersigned arbitrator heard the controversy in three sessions between the parties as set forth in submissions to arbitration signed by Claimants on May 10, 1989, by Respondent William Strong on December 6, 1989, and by Respondent Brennan Ross Securities, Inc. on December 13, 1989. The arbitrator, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final determination of the issues submitted for determination as follows:

1. Respondents are liable for and shall pay to Claimants the sum of Seventeen Thousand, Four Hundred Thirty Dollars and Twenty-Six Cents (\$17,430.26), inclusive of interest. Said liability is joint and several.

2. Notwithstanding the evidence that the C-NET stock has little, if any, value, the 225,000 shares of C-NET stock are to be endorsed over and returned to Respondent Brennan Ross Securities, Inc.

3. The parties shall each bear their respective costs including attorneys' fees.

4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. ("NASD") Code of Arbitration Procedure:

- a. Claimants are assessed forum fees in the amount of \$400.00, to be paid directly to the National Association of Securities Dealers, Inc.; and
- b. Respondents are assessed forum fees in the amount of \$800.00, to be paid directly to the National Association of Securities Dealers, Inc. Said liability is joint and several.

PRESIDING ARBITRATOR



Aaron Fenton

DATE SERVED: 05/17/90