

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Edward R. Neuman            Claimant  
v.  
First of Michigan Corporation  
                                 Respondent

First of Michigan Corporation  
v. Third Party Claimant  
Transamerica Fund Distributors, Inc.,  
formerly Criterion Distributors, Inc.  
                                 Third Party Respondent(s)

Case No. 89-00895

CASE SUMMARY

Edward Neuman ("Claimant") alleged that First of Michigan Corporation ("Respondent") misrepresented the risks to principal involved in the purchase of shares in the U.S. Government High Yield Trust.

Respondent denied the claim of the Claimant and further alleged that its representative informed the Claimant that the value of the principal may vary, and never guaranteed the safety of the principal. The Respondent brought a third party claim against Transamerica Fund Distributors ("Transamerica") claiming that if the Respondent was found liable to Claimant it could only be due to the wrongful acts of Transamerica who is successor to the company who acted as principal distributor of the trust shares.

Transamerica denied any liability to the Respondent and made a motion to dismiss the third party claim at the conclusion of the Claimant's case. Transamerica's Motion to Dismiss was granted.

RELIEF REQUESTED

Claimant requested that he be awarded damages in the approximate amount of \$9,000. Respondent requested that the claim of the Claimant be dismissed.

AWARD

On May 22, 1989 the NASD received the Claimant's claim. On June 7, 1990, the undersigned arbitrator heard the controversy between the parties as set forth on the submission to arbitration signed on May 26, 1989 by the Claimant. Respondent and Transamerica acknowledged through their respective counsel at the hearing that they were submitting this controversy to NASD arbitration. The hearing was held in Scottsdale, Arizona, in one session.

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 claim asserted by the Claimant against the Respondent is hereby denied.
2. The claim asserted by the Respondent against the Third Party Respondents is hereby dismissed.
3. The parties shall bear their own costs including attorneys' fees.
4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$200.00 filing fee previously deposited with the NASD by the Claimant.

Presiding Arbitrator

Dated: June 25, 1990

/s/ Charles R. Berry  
Charles R. Berry

Date Served: July 2, 1990