

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Paul Swendsen

Claimant

vs.

Graystone Nash, Inc. and
U.S. Advisors, Inc.

Respondents

AWARD

CASE NO. 89-01146

SUMMARY OF ISSUES

Claimant alleged Respondents misrepresented the risk and profit potential of the common stock of Advisors Capital Technology. Claimant further alleged misrepresentations regarding a secondary offering of this stock.

Respondent Graystone Nash, Inc. denied Claimant's allegations, responding that the representation regarding a secondary offering was true when made. Respondent also asserted that no guarantee of the stock's performance was made, and that a price decline is not proof that a stock is a high risk investment.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages of \$2,000.00 and costs of arbitration.

Respondent Graystone Nash, Inc. requested dismissal of all claims.

PROCEDURAL SUMMARY

This claim was filed with the National Association of Securities Dealers, Inc. ("NASD") on April 14, 1989. On May 31, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on April 3, 1989 and by Respondent Graystone Nash, Inc. on May 19, 1989. Respondent U.S. Advisors, Inc. did not file an answer or a submission agreement, nor did its representative appear at the hearing. Upon learning that U.S. Advisors, Inc. was not a successor of Graystone Nash, Inc., Claimant withdrew without prejudice his claim against U.S. Advisors, Inc. The hearing was conducted in San Francisco, California, Graystone Nash, Inc. appearing by telephone, and lasted one session.

DAMAGES AND RELIEF AWARDED

The arbitration panel, having considered the pleadings, the testimony, the evidence presented at the hearing, and the evidence submitted after the hearing at the request of the panel, has determined in full and final resolution of the issues submitted as follows:

1. Respondent Graystone Nash, Inc. is liable for and shall pay to Claimant the sum of One Thousand, Four Hundred Fifty Dollars and Zero Cents (\$1,450.00).

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

3. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$25.00 filing fee previously deposited by the Claimant. In addition, Graystone Nash, Inc. will reimburse Claimant for the \$25.00 filing fee already paid.

PRESIDING ARBITRATOR


Stuart A. Bronstein

DATE SERVED: 07/20/90