

**NASD**

Arbitration

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
Suite 1680  
Three First National Plaza  
Chicago, IL 60602  
(312) 899-4440

In the Matter of the Arbitration Between

Name of Claimant(s)

Richard L. Anderson

89-01361

Name of Respondent(s)

Craig Hallum, Inc.  
Thomas N. Rosenberger  
James Ferguson  
Monchilo Vucenich  
John Robinson  
George Bonniwell  
William Thayer  
Edward Fleitman  
Richard Heimerl

#### CASE SUMMARY

In a claim filed with the NASD on or about June 9, 1989 and as amended on February 12, 1990, Richard L. Anderson ("Claimant") alleged that Craig Hallum, Inc., T. Rosenberger, J. Ferguson, M. Vucenich, J. Robinson, G. Bonniwell, W. Thayer, E. Fleitman and R. Heimerl (collectively "Respondents"): engaged in purchasing unsuitable investments and unauthorized trading in Claimant's account without his knowledge or approval; either fraudulently or negligently failed to keep Claimant apprised of transactions; and, misstated or omitted to state material facts concerning the true status of his accounts. Further, Claimant asserts that Respondents: did not disclose to the Claimant the extent of his losses; fraudulently misrepresented the suitability of Claimant's investments; breached their fiduciary duty to Claimant; and made misrepresentations for the purpose of obtaining commissions and profits for Respondents at the expense of the value of Claimant's accounts.

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In a answer filed with the NASD on or about July 24, 1989 and as amended on March 12, 1990, Respondents denied all allegations of wrongdoing asserted by the Claimant and asserted that: 1) Claimant authorized and ratified all transactions in his accounts and assumed the risks; 2) Claimant failed to state a claim for relief; 3) Respondents owed Claimant no duty; 4) Respondents are not liable because they did not know of the facts by reason of which the liability is alleged to exist and in the exercise of reasonable care could not have known; and 5) Claimant's claims are barred by the applicable statutes of limitations and by the doctrines of waiver, estoppel and laches. Respondents also brought a counterclaim seeking recovery of their attorneys' fees and costs incurred in defending this proceeding.

**RELIEF REQUESTED**

Claimant requested damages in excess of \$1,000,000.00 including, but not limited to, losses in Claimant's accounts, commissions paid, margin interest, punitive damages, reasonable attorney's fees, costs and disbursements.

Respondent requested recovery of attorneys' fees and costs incurred in defending this proceeding.

**AWARD**

On October 29th and 30th, 1990 in Minneapolis, Minnesota, during hearing lasting a total of four (4) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on May 4, 1989 by Claimant Richard L. Anderson on August 8, 1989 by Richard C. Heimerl on behalf of Respondent Craig-Hallum, Inc. on July 13, 1989 by Respondent J. Rosenberger, and on July 18, 1989 by Respondents James Ferguson, Momchila Vucenich, John Robinson, George Bonniwell, William Thayer, Edward Fleitman and Richard Heimerl.

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 determinations follows:

1. Respondent Craig-Hallum, Inc. is liable for and shall pay to Claimant Richard L. Anderson damages in the amount of One Hundred Thousand Dollars (\$100,000.00).
2. All other requests for relief by the Claimant are denied.

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3. Respondents' counterclaim is denied in its entirety.

4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the hearing session deposit in the amount of \$500.00 previously deposited with the NASD by the Claimant. The Respondent Craig-Hallum, Inc. is hereby assessed \$2,000.00 in forum fees and the \$500.00 filing fee.

Arbitrator(s) Signature

Peter W. Anson, Esq.  
Presiding Chair

Dated: \_\_\_\_\_

Cassandra Mihalchick, Esq.

Dated: \_\_\_\_\_

Edward C. Oliver  
Edward C. Oliver

Dated: 12-13-90

89-1361

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Arbitrator(s) Signature

Peter W. Anson, Esq.  
Presiding Chair

Dated: \_\_\_\_\_

Cassandra Mihalchick  
Cassandra Mihalchick, Esq.

Dated: 12-10-90

Edward C. Oliver

Dated: \_\_\_\_\_

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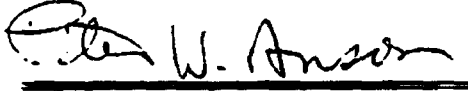
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