

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

**In the Matter of the Arbitration Between**

**LARRY D. LILE**

**Claimant**

**and**

**ALLIED CAPITAL GROUP, INC.**

**Respondent**

**CASE NO. 89-01518**

**CASE SUMMARY**

In a claim filed with the NASD on or about May 18, 1989, Claimant Larry D. Lile ("Claimant") alleged that Respondent Allied Capital, Inc. made material misrepresentations to induce him to purchase common stock of OTC America and Davin Enterprises.

In its answer filed with the NASD on or about September 27, 1989, Respondent Allied Capital Group, Inc. denied the allegations of Claimant and asserted a Third Party Complaint against Mark D. Chase alleging that Mark D. Chase was the person who was responsible for making the alleged material misrepresentations.

In his response to the Third Party Claim which was filed with the NASD on or about December 26, 1989 Third Party Respondent Mark D. Chase stated that he was misled and given false information by his superiors at Allied Capital Group, Inc.

**PROCEDURAL SUMMARY**

Immediately prior to the commencement of the hearing on Friday, March 30, 1990, James Schwartz, counsel for Respondent Allied Capital Group, Inc. advised the NASD and Claimant that his client advised him not to appear and defend the claim. The hearing proceeded without Respondent Allied Capital Group, Inc. or Third Party Respondent Mark D. Chase present.

### RELIEF REQUESTED

The Claimant requested an award in the amount of \$3,800.00.

Respondent Allied Capital Group, Inc. requested that the Statement of Claim be denied or in the alternative that Third Party Respondent Mark D. Chase be held liable for the amount requested by Claimant.

### AWARD

On Friday, March 30, 1990 in Denver, Colorado, during a hearing lasting one (1) session, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on May 15, 1989 by Claimant Larry D. Lile, on September 26, 1989 by Peter F. Mercaldi on behalf of Respondent Third Party Respondent. Mark D. Chase failed to submit a uniform submission agreement but was required to submit to arbitration pursuant to Section 8 of the NASD Code of Arbitration Procedure and having answered the Third Party Claim is bound by the arbitrator's final determination on all issues submitted.

The arbitrator, 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. Allied Capital Group, Inc. shall be and hereby is liable for and shall pay to the Claimant Larry D. Lile the sum of \$3,800.00 (Three Thousand Eight Hundred Dollars and no cents);
2. The Third Party Claim of Allied Capital Group, Inc. against Mark D. Chase shall be and hereby is dismissed and denied in its entirety; and
3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund, the \$100.00 filing fee previously deposited with the NASD by the Claimant Larry D. Lile. Respondent Allied Capital Group, Inc. shall pay to the NASD as forum fees the sum of \$200.00.

Dated: 4-12-90

/s/

Presiding Arbitrator

  
S. Lee Terry, Jr. Esq.