

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between
Jack D. and Theo L. Thomas
vs.
Texas Independent Securities, Inc.
Jimmy Carter
Trace E. Paradise

Claimants

Respondents

CASE #89-01846
AWARD

CASE SUMMARY

Jack D. and Theo L. Thomas, in a claim filed with the National Association of Securities Dealers, Inc. on June 26, 1989, alleged that Respondents have not repaid a Ten Thousand Dollars and No Cents (\$10,000.00) loan made to Trace E. Paradise for Palestrina Training Corporation while Mr. Paradise was working at Texas Independent Securities.

Respondent Trace E. Paradise did not respond to the original regular mail service of the Statement of Claim sent to him August 29, 1989. No material was returned to the NASD, Inc. Certified mail service on September 27, 1990 of an overdue answer letter stating that the case would continue to be processed with or without his Statement of Answer, was returned to the NASD as "unclaimed". On October 17, 1990 service of the Statement of Claim was effected on Trace E. Paradise by certified mail as evidenced by the signed return of the certified mail green card. Mr. Paradise did not respond nor did he return a telephone call from the NASD and message left with his wife on October 12, 1990.

Respondent, Jimmy Carter of Texas Independent Securities, declined to submit to arbitration based on allegations that Texas Independent Securities withdrew its NASD membership. The Director of Arbitration stated in a memo dated January 17, 1990, that according to Section 12(a) of the Code of Arbitration Procedure, Texas Independent Securities must submit an answer to the Statement of Claim by January 31, 1990. Texas Independent Securities and Jimmy Carter declined to comply.

As non-members, the NASD, Inc. could not pursue the arbitration against originally named Respondents William T. Charlton and Palestra Training Corporation, who did not voluntarily submit to arbitration.

RELIEF REQUESTED

Claimant requested damages of Ten Thousand Dollars and No Cents (\$10,000.00) plus interest from January 1, 1989.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Howard V. Tygrett, Jr., Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on June 24, 1989.

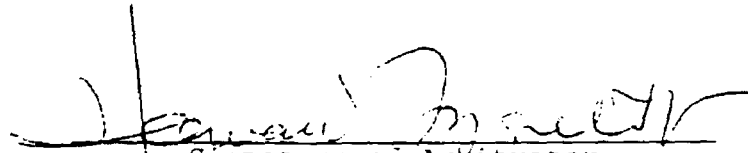
And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Trace E. Paradise is liable and shall pay to the Claimants the sum of Ten Thousand Dollars and No Cents (\$10,000.00).
2. Trace E. Paradise is liable and shall pay to the Claimants interest on said Ten Thousand Dollars and No Cents (\$10,000.00) at the rate of twelve percent (12%) per annum, compounded annually from February 1, 1989 until payment of this award.
3. The Two Hundred Dollars and No Cents (\$200.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be refunded to Claimants by Respondent, Trace E. Paradise.
4. This case is dismissed against Jimmy Carter and Texas Independent Securities.

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AFFIRMATION

I, Howard V. Tygrett, Jr., Esq., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

DATED: 1/11/91