

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
KARL, GUNTER AND ARNO PENZIAS,)	
)	
Claimants,)	Case No. 89-01893
vs.)	
)	Award
ALLIED CAPITAL GROUP, INC.,)	
ED FAY AND DALE DARGIE,)	
)	
Respondents,)	
vs.)	
)	
ALDO D. RODRIGUEZ,)	
)	
Third Party)	
Respondent.)	
)	

Heard before the Arbitrator:

Guthrie F. Crowe

CASE SUMMARY

This claim was filed with the NASD, Inc. on July 3, 1989. The hearing was conducted in Fort Lauderdale, Florida on July 26th, 1990, with a total of 1 session.

Claimants, Karl, Gunter and Arno Penzias ("Penzias"), alleged that Allied Capital Group, Inc. ("Allied"), Ed Fay ("Fay"), and Dale Dargie ("Dargie"), made false representations of material facts to induce Claimants to purchase penny stocks in CIP Holdings Inc. which are now worthless.

Respondent, Allied, denied all allegations of wrongdoing and alleged a Third Party Claim against Aldo D. Rodriguez ("Rodriguez") to be jointly and severally liable with Allied should Allied be found liable; and alleged crossclaims against Dargie and Fay for joint and several liability.

Respondent, Fay, denied all allegations of wrongdoing. Respondent, Rodriguez, did not file an answer, but did appear at the hearing to defend himself.

Respondents, Allied, Fay, and Dargie, failed to appear at the hearing of this matter or to present any evidence regarding the forgoing claims or answers.

RELIEF REQUESTED

Claimants requested damages in the amount of \$3,820.00. Allied requested dismissal; costs; attorney's fees; and, full recovery from Fay, Dargie and Rodriguez, for any amount for which Allied may be found liable.

AWARD

On July 26, 1990, the arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants, Karl Penzias, on June 27, 1989, and Gunter, and Arno Penzias, on February 21, 1990, and by Respondents, Allied, on December 20, 1989, Ed Fay, on November 20, 1989, and by Aldo Rodriguez, on July 26, 1990. The arbitrator, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. The parties present have agreed that a handwritten, signed Award may be entered, and to receive conformed copies of the Award while the original remains on file with the NASD, Inc.
2. Adequate service of the Claims and Notice of the hearing were made by the NASD, Inc. on Allied and Fay. Adequate Service and Notice were not given to Dargie.
3. Respondent Fay is found not liable to the Claimants and, therefore, all claims against him are hereby dismissed.
4. Respondent Allied is found liable to the Claimants and shall pay to the Claimants the amount of Three Thousand Eight Hundred Twenty and 00/100 (\$3,820.00) Dollars.
5. Third Party Respondent, Rodriguez, is found not liable to Allied and, therefore, all claims against him are hereby dismissed.
6. Pursuant to Section 43 of the Code of Arbitration Procedure, Allied is hereby assessed forum fees in the amount of One Hundred and 00/100 (\$100.00) Dollars for which the NASD, Inc. shall retain that portion of the forum fees deposited by Allied in full satisfaction thereof. The NASD, Inc. shall refund the One Hundred and 00/100 (\$100.00) Dollar filing fee deposited by Claimants.

7. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including attorney's fees.

OTHER ISSUES

None.

ARBITRATOR CONCURRING

Guthrie F. Crowe

Dated: July 26, 1990