

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Beverly P. King)	
Claimant)	
vs.)	AWARD
)	NASD # 89-02746
Dunman Resources, Inc.)	
Pat Preiss)	
James Duncan)	
Jeff Sherman)	
Respondent)	
)	

SUMMARY OF ISSUES

Claimant alleged Respondents solicited her investment in certain limited partnership investments for which she was not suited. Claimant alleged misrepresentations and omissions of material fact. Claimant also alleged the sale of interests in Minero Ecuador was not legal in that the stock was not registered for sale, in violation of state and federal securities laws.

Respondents denied Claimant's allegations. Dunman Resources denied that Minero Ecuador was sold under its auspices, and asserted that it was an investment presented personally to potential investors by James Duncan, Jeffrey Sherman, Patricia Preiss and others.

DAMAGES AND RELIEF REQUESTED

Claimant requested rescission of the investments, the return of \$27,00.00 plus interest, punitive damages of \$200,000.00 attorney's fees and costs of arbitration.

Respondents requested dismissal of the claim.

DAMAGES AND RELIEF AWARDED

This claim was filed with the NASD on October 3, 1989. On November 15, 16 and December 12, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on September 13, 1989, by Dunman Resources, James Duncan and Jeffrey Sherman on December 22, 1989, and by Pat Preiss on December 15, 1989. The hearing was conducted in Los Angeles, California, and lasted five (5) sessions. The arbitration panel, having considered the pleadings, the testimony, the evidence presented at the hearing, and the post-hearing submissions, has determined in full and final resolution of the issues submitted as follows:

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In the Matter of the Arbitration Between)	
Beverly P. King)	
Claimant)	
vs.)	
Dunman Resources, Inc.)	NASD # 89-02746
Pat Preiss)	REFERRAL TO
James Duncan)	DISTRICT BUSINESS
Jeff Sherman)	CONDUCT COMMITTEE
Respondent)	

SUMMARY

On November 15, 16 and December 12, 1990, the undersigned arbitrators heard the controversy between the parties and rendered an award in favor of the public customer. The award was based in part on testimony which clearly indicated the sale of unregistered securities in Minero Ecuador, Inc., material misrepresentations and violations of anti-fraud laws in connection with the sale of Minero Ecuador, Inc., false filing of information on Jeffrey Sherman's U-5 Form, possible violations of Section 40 of the NASD rules of fair practice, and the failure of Dunman Resources to supervise the activities of James Dunman and Jeff Sherman especially with regard to the sale of Minero Ecuador, Inc. and/or Samec.

REFERRAL

The undersigned arbitrators request that the District Business Conduct Committee investigate these matters.

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DATE SERVED: 1/17/91



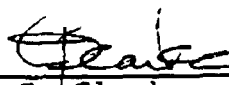
Robert S. Clarke

1. Respondents Sherman, Duncan and Preiss are jointly and severally liable for and shall pay to Claimant the sum of \$20,880.00, inclusive of interest.
2. Claimant shall relinquish her ownership interest in Minero Ecuador, Inc./Samec by delivering 4,000 shares of said investment to Respondents' counsel.
3. Claimant shall relinquish her entire ownership interest in East Goodhope Fields by delivery to Respondents' counsel.
4. The claim for punitive damages is denied.
5. The parties shall each bear their respective costs including attorneys' fees.
5. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$750.00 filing fee previously deposited by the Claimant. Claimant is assessed an additional \$1,125.00 in forum fees. Respondents are jointly and severally assessed forum fees of \$1,875.00. All forum fees are payable to the NASD.

OTHER ISSUES

None.

DATE SERVED: 1/17/91



Robert S. Clarke