

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Helen Cannon

89-03169

Name of Respondents

Ronald Hansen
Clarence A. Smith
First Securities Corporation
First Financial Corporation of America

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about November 14, 1989, Helen Cannon ("Claimant") alleged that through misrepresentations she was induced to purchase unsuitable investments. Claimant specifically alleged that she was not a suitable investor in various real estate and oil and gas limited partnerships. Claimant also alleged violations of federal and state securities laws, breach of fiduciary duty and Wisconsin racketeering statutes.

In their joint Answer filed with the NASD on or about February 6, 1990, Ronald Hansen, Clarence Smith, First Securities Corporation, First Financial Corporation of America and James Fiedler ("Respondents") denied the allegations of Claimant and stated that Claimant was kept well aware of her investments, and that the investments were suitable in relation to the Claimant's objectives.

RELIEF REQUESTED

Claimant requested an award in the amount of \$376,857.54 which sum includes interest.

Respondents requested that the Statement of Claim be dismissed.

OTHER ISSUES

At the commencement of the hearing, the Industry Arbitrator scheduled to sit on this matter advised the NASD that he would be unable to do so. The parties were advised of this fact and informed of the option of proceeding with the two public arbitrators as scheduled or rescheduling the hearing to a later date. After consulting with respective counsel the parties decided to proceed with the two panel members.

Respondents filed a Motion to Dismiss based upon Section 15 of the NASD Code of Arbitration Procedure. After reviewing the parties submissions and hearing oral arguments at the onset of the hearing the panel took the matter under advisement until hearing the evidence presented on behalf of the Claimant. The motion was subsequently denied by the panel.

PROCEDURAL MATTERS

On Wednesday, February 27, 1991 and Thursday, February 28, 1991 in Chicago, Illinois during a 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 November 3, 1989 by Claimant Helen Cannon on February 4, 1990 by Ronald S. Hansen individually and on behalf of Respondent First Financial Services Corporation of America on February 4, 1990 by Clarence A. Smith individually and on behalf of Respondent First Securities Corporation and on February 4, 1990 by Respondent James Fiedler.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD.

AWARD

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 determination as follows:

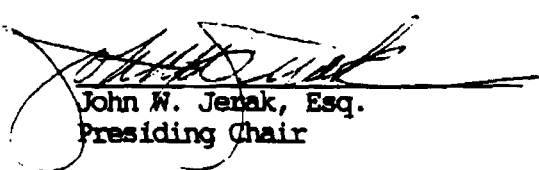
1. The Statement of Claim shall be and hereby is dismissed and denied in its entirety;
2. Each party shall bear its own costs and expenses incurred in this matter, including attorneys fees, not specifically enumerated herein; and
3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the hearing session deposit in the amount of \$550.00 previously deposited with the NASD by the Claimant Helen Cannon. Respondents shall be and hereby are jointly and severally liable for and shall pay to the NASD the sum of \$3,000.00 as forum fees.

Arbitrators concurring:

Dated:

February 28, 1991

February 28, 1991


John W. Jenak, Esq.
Presiding Chair


Honorable Saul A. Epton