

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	)	
Aegis Partners,	)	
William King Investment Partners	)	
and William J. King & Co.,	)	
Claimants	)	
vs.	)	AWARD
	)	NASD #90-00367
Boardwalk Capital Corp.,	)	
Mason A. Dinehart,	)	
Dana Joseph Welch,	)	
and Robert Broad	)	
Respondent	)	

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on February 5, 1990. Claimants alleged breach of contract, misrepresentation, fraud, and conversion. Specifically, Claimants alleged that funds were advanced to Respondents pursuant to a letter of intent agreement between the parties, and that Respondents failed to perform adequate due diligence in connection with the proposed underwriting.

Respondent Boardwalk Capital Corporation did not file an Answer nor appear at the arbitration hearing.

Respondents Mason A. Dinehart and Robert Broad denied the allegations and maintained that as individuals, they were not parties to the letter of intent and did not directly received any funds from Claimants. Respondents further maintained that the advance fee was a non-refundable underwriting fee and that due diligence services were performed.

Respondent Dana Joseph Welch did not file an Answer nor appear at the arbitration hearing.

DAMAGES AND RELIEF REQUESTED

Claimants requested damages of \$201,035.67 which includes costs and attorneys' fees, plus interest of \$36,186.42 calculated at eighteen percent (18%) for one year.

Respondents Mason A. Dinehart and Robert Broad requested dismissal of the claim and an award of attorneys' fees and costs.

### DAMAGES AND RELIEF AWARDED

On January 3, 4, and 30, 1991, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on January 29, 1990 and by Respondents Mason A. Dinehart and Robert Broad on April 18, 1990. Respondents Boardwalk Capital Corporation and Dana Joseph Welch did not file executed submissions agreements but are subject to the jurisdiction of this arbitration pursuant to Sections 1 and 12 of the Code of Arbitration Procedure.

The hearing was conducted in Los Angeles, California and lasted five (5) sessions. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted as follows:

1. Claimant Aegis Partners is hereby awarded the sum of Twenty-Five Thousand Dollars and Zero Cents (\$25,000) assessed against Respondent Boardwalk Capital Corporation solely.
2. Claimant Aegis Partners is further awarded interest at ten percent (10%) annum on \$25,000 calculated from November 11, 1989 until the date the award is satisfied.
3. All claims asserted by Claimants William J. King Investment Partners and William J. King & Co. are denied.
4. No ruling may be made against Respondent Dana Joseph Welch as all claims were stayed against him by order of the Bankruptcy Court and those claims were then discharged by the Court by Order dated December 28, 1990.
5. All claims against Respondents Mason A. Dinehart and Robert Broad are dismissed.
6. The parties shall each bear their respective costs including attorneys' fees.
7. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$1,000 filing fee previously deposited by the Claimants. No forum fees are assessed against either party.

### OTHER ISSUES

The Arbitrators took notice of proper service of the Statement of Claim on Respondent Boardwalk Capital Corporation in care of Mason A. Dinehart, who is identified as the Contact Person on the Broker/Dealer Central Registration Depository.

The parties stipulated at the hearing to the execution and service of the Award in counterpart copies.

APPENDIXES CONCERNING

DATE SERVED: 2/13/91

berg, Esq.

Milton C. Bennett  
Milton C. Bennett