

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

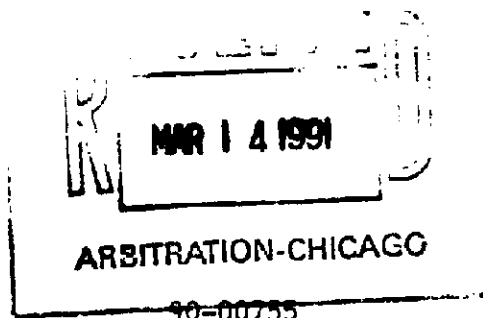
In the Matter of the Arbitration Between

Name of Claimant

Paul A. Harman

Name of Respondents

Larry Means
Marshall Davis, Inc.



CASE SUMMARY

This claim was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about March 13, 1990. Paul Harman ("Claimant"), alleged that Larry Means ("Means") a registered representative employed by Marshall Davis, Inc. ("Marshall") engaged in numerous unauthorized transactions in his account.

In its Statement of Answer filed with the NASD on or about May 14, 1990 Respondent Marshall Davis, Inc. denied all allegations against it. Specifically, Marshall stated that the Statement of Claim alleged that the transactions complained of took place without its authority, knowledge or consent.

RELIEF REQUESTED

Claimant requested an award in the amount of \$22,182.64, interest, attorneys fees and costs.

Respondent Marshall Davis, Inc. requested that the Statement of Claim be dismissed and that costs and attorneys fees be assessed against the Claimant.

PROCEDURAL MATTERS

On Wednesday, February 27, 1991 in Denver, Colorado during a hearing lasting a total of one (1) session, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on January 23, 1990 by Claimant Paul A. Harman on May 11, 1990 on behalf of Respondent Marshall Davis, Inc.

Respondent Larry Means did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure and having answered the claim, appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

Respondent Marshall Davis, Inc. appeared and participated in this hearing via telephone.

The parties stipulated to the following facts at the hearing:

Marshall Davis, Inc. is a fully disclosed broker dealer. As such, it does not keep any customer funds deposited with it, but rather clears through a broker dealer known as Otra Securities. The claimant in this case, Mr. Paul Harman, was at all relevant times a customer of Marshall Davis, Inc. The claimant's broker or registered representative at Marshall Davis, Inc. was Larry Means who was an employee of Marshall Davis, Inc.

While a customer of Marshall Davis, Inc. claimant purchased 2,613.746 shares of U. S. Government High Yield Trust offered by the Criterion Fund, Inc. at a cost of \$27,182.64. Respondent Larry Means by forging claimant's signature on withdrawal orders, received checks from the Criterion Fund which he cashed by forging claimant's signature on the checks. The checks totaled \$22,182.64. Marshall Davis, Inc. did not receive any of the funds from the forged checks nor was it aware of any of the activities of Larry Means.

AWARD

The undersigned arbitrator, having considered the pleadings, the testimony, the stipulations made between the parties and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Larry Means and Marshall Davis, Inc. shall be and hereby are jointly and severally liable for and shall pay to the Claimant Paul A. Harman the sum of Twenty Two Thousand One Hundred Eighty-Two Dollars and Sixty-Four Cents (\$22,182.64);

2. Interest at the rate of 8% per annum is awarded on the above stated sum from and inclusive of August 15, 1989 to and inclusive of the date this award is paid;

3. Each party shall bear its own costs and expenses incurred in this matter not specifically enumerated herein; and

4. Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the hearing session deposit in the amount of \$300.00 previously deposited with the NASD by the Claimant and Respondents shall be and hereby are jointly and severally liable for and shall pay to the NASD the sum of \$100.00 as

forum fees and shall reimburse Claimant's filing fee and hearing session deposit in the amount of \$400.00.

Arbitrator Signature

Date of Decision:

March 12, 1991

Thaddeus J. Tecza, Ph.D.
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