

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between)

Name of Claimant(s))

Shirley J. Mason)

) Case No.90-01190

Name of Respondent(s))

Integrated Resources Equity Corp.)

Security Service Corp.)

Lyle Robert Howie)

Ekistic Securities Corp.)

Heard before the members of the Arbitration Panel:

John P. Cullem, Esq.

Public

Regar Mickler

Industry

Robert M. Shavick

Public

REPRESENTATION

Claimant was represented by Franklyn J. Wollett, Esq. of the firm Hoolihan, Hilleboe and Wollett, P.A. from Clearwater, Florida.

Respondent, Integrated, was represented by in-house counsel Mark Quinn.

Respondent, Howie, was pro-se and Respondents, Security Service and Ekistic did not appear at the hearing.

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on April 19, 1990. Claimant, Shirley Mason ("Mason"), alleged that Respondents, Integrated Resources Equity Corp. ("Integrated"), Security Service Corp. ("Security"), Ekistic Securities Corp. ("Ekistic") and Lyle Robert Howie ("Howie"), were liable for: violations of Florida Securities Law; breach of fiduciary duties; negligence; and misrepresentations. Claimant alleged that Respondent, Howie, purchased unsuitable limited partnerships and misrepresented the safety and risks of such limited partnerships.

In a Statement of Answer filed with the NASD on June 21, 1990, Respondent, Howie, alleged that his recommendations were consistent with Claimant's

investment objectives; Claimant was provided with prospectuses when required; Claimant was suitable for the investments; Respondent did not mistake or omit facts regarding risk; and arbitrators do not have authority to award attorney's fees under the Florida Arbitration Act.

In a Statement of Answer filed with the NASD on June 22, 1990, Respondent, Integrated, alleged that: Claimant was suitable for the investments she purchased from Integrated; Respondent, Howie, explained the characteristics of the investments to Claimant; the objectives of the limited partnerships were consistent with Claimant's investment objectives; Howie delivered prospectuses to Mason; and Claimant has received economic benefits from the investments. Respondent, Integrated, settled with Claimant prior to the hearing.

Respondents, Security and Ekistic, failed to file Answers and did not appear at the hearing to defend.

RELIEF REQUESTED

Claimant requested damages in the amount of \$25,000.00, plus interest, costs, punitive damages and attorney's fees pursuant to Chapter 517 of the Florida Statutes.

Respondent, Howie, requested dismissal of the Claim and Respondents, Security and Ekistic, failed to file Answers.

AWARD

On April 15, 1991, in Tampa, Florida, during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on April 16, 1990; by Respondent, Howie, on June 20, 1990; and not signed by Ekistic or Security as required pursuant to Section 12(a) of the NASD Code of Arbitration Procedure ("Code"), Respondents, Ekistic and Security, being NASD member firms at the time this controversy arose.

After considering the pleadings, the testimony, and the evidence presented at the hearing, and Respondents, Ekistic and Security, neither appearing at the hearing nor seeking any adjournment thereof, notwithstanding their knowledge of this arbitration as evidenced in the record of proceedings, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Security and Ekistic, are found liable on all counts, jointly and severally, and shall pay to the Claimant the amount of \$25,160.58, inclusive of interest.
2. Respondents, Security, Ekistic and Howie, are found liable on all counts, jointly and severally and shall pay to the Claimant the amount of \$10,000.00, inclusive of interest.

3. Respondents, Security and Ekistic, are also found liable, jointly and severally, and shall pay to Claimant the further amount of \$10,125.00, for attorney's fees pursuant to Chapter 517 of the Florida Statutes.

FORUM FEES

4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$800.00, (2 sessions x \$400.00 per session). Respondents, Security and Ekistic, are hereby assessed \$400.00, jointly and severally, payable directly to the Claimant as a return of her filing fee. Respondent, Howie, is hereby assessed \$400.00, payable to the National Association of Securities Dealers, Inc. The NASD, Inc. shall retain the \$400.00, previously deposited by the Claimant in partial satisfaction of such forum fees.

5. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

Fees are payable to the National Association of Securities Dealers, Inc.

OTHER ISSUES

1. Jurisdiction exists pursuant to Section 12 of the Code.

2. For the reasons set forth in the record of proceedings and contained in Arbitrator's Exhibit #2, this Panel finds service upon and adequate notice to Respondents, Security Service Corp. and Ekistic Securities Corp. The NASD has made every attempt to locate and serve Respondents, Security and Ekistic, with notice of this hearing as demonstrated by the evidence contained in Arbitrator's Exhibit #2.

Concurring Arbitrators' Signatures

/s/
John P. Cullem, Esq.

/s/
Rigar Mickler

/s/
Robert M. Savick

Date of Decision: May 23, 1991