

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Dana L. and Margaret A. Tinnes, Jtten.

90-01552

Name of Respondents

Craig Hallum, Inc.
Daniel R. Tenney
The American Insurance Co.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about June 1, 1990, Dana and Margaret Tinnes ("Claimants") alleged that Respondent Daniel Tenney ("Tenney") made material misrepresentations to induce them to purchase shares of Pyro Pacific Common stock. Claimants also alleged that the shares were not registered with the State of North Dakota.

In its Answer and Counterclaim filed with the NASD on or about July 3, 1990, and its Amended Answer filed with the NASD on or about September 17, 1990 Craig-Hallum, Inc. ("Craig-Hallum") stated that it had no knowledge of the transactions which occurred in the claimants account prior to the account's transfer to Craig-Hallum and that there were no transactions in the accounts since their transfer to Craig-Hallum.

In his Answer filed with the NASD on or about July 17, 1990, Daniel Tenney ("Tenney") stated that Claimant Dana Tinnes is a knowledgeable and sophisticated investor who originally contacted him regarding the Pyro Pacific stock. Tenney also stated that the claim is barred by the Statute of Limitations.

In their Answer to Counterclaim filed with the NASD on or about July 5, 1990 and their Additional Answer to the Answer and Counterclaim filed with the NASD Claimants stated that Respondent Craig-Hallum should be able to deny successor liability.

RELIEF REQUESTED

Claimants requested an award in the amount of \$8,052.19 plus costs and attorneys fees.

Respondent Craig-Hallum requested that the Statement of Claim be dismissed and denied and an award of its costs and expenses including attorneys fees.

Respondent Daniel Tenney requested that the Statement of Claim be denied in its entirety and an award of his costs and expenses incurred in this matter.

PROCEDURAL MATTERS

On Tuesday, February 19, 1991 in Minneapolis, Minnesota 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 May 31, 1990 by Claimants Dana L. Tinnes and Margaret A. Tinnes on July 2, 1990 by Richard C. Heimerl on behalf of Respondent Craig-Hallum, Inc. on July 16, 1990 by Respondent Daniel R. Tenney. American Insurance Company, a named Respondent to these proceedings is not a member of the NASD and did not submit to arbitration.

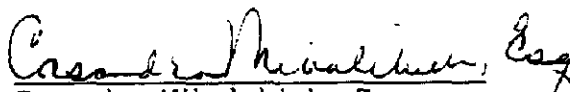
AWARD

The arbitrator, 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. All cross claims shall be and hereby are dismissed and denied in their entirety;
3. Each party shall bear its own costs and expenses including attorneys fees, if any, incurred in this matter not specifically enumerated herein; and
4. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the hearing session deposit in the amount of \$125.00 previously deposited with the NASD by the Claimant and Claimant shall pay to the NASD the sum of \$75.00 as forum fees.

Dated:

2-23-91


Casandra Mihalchick, Esq.
Presiding Chair