

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Arbitration

National Association of
Securities Dealers, Inc.
One East Broward Boulevard
Suite 1000
Ft. Lauderdale, Florida 33301
(305) 522-7391

In the Matter of the Arbitration Between

Name of Claimant(s)

Scott Walter & Kathryn M. Stroncek
Robert C. & Jeanne Esmann
Lucille M. Harringshaw & Violette L. Stroncek
Violette L. Stroncek

Case No. 90-02798

Name of Respondent(s)

U.S. Advisors Inc.
Carole R. Foland
Dennis M. Williams

REPRESENTATION

For Claimants, Violette L. Stroncek, Lucille M. Harringshaw, Scott Walter Stroncek, Kathryn M. Stroncek, Robert C. Esmann and Jeanne Esmann: Violette L. and Scott Stroncek, pro se.

For Respondent, U.S. Advisors, Inc. ("USAI"): Paul Misch.

For Respondent, Carole R. Foland ("Foland"): pro se.

For Respondent, Dennis Williams ("Williams"): pro se.

CASE INFORMATION

Statement of Claim filed: October 9, 1990. Claimants' Submission Agreements signed: June 25, 1991, June 7, 1991 and October 29, 1990.

Respondent, Foland's, Statement of Answer filed: August 6, 1991. Respondent, Foland's Submission Agreement signed: July 19, 1991.

Respondents, USAI and Williams, did not file Statements of Answer or sign Submission Agreements as required by Sections 12 and 25 of the Code.

HEARING INFORMATION

On March 24, 1992, in Fort Lauderdale, Florida, a hearing lasting two (2) sessions was conducted.

CASE SUMMARY

Claimants alleged that USAI was unregistered and selling securities and is now barred in Florida; that Respondents, through Williams and Foland, made misrepresentations of and omitted to state material facts; induced the purchase of Growth Development Units during its initial public offering; failed to deliver a prospectus; that when Claimants finally received a prospectus, they demanded the sale be broken; that Respondents refused; and, that Claimants gave sell orders which Respondents failed to execute.

Respondent, Foland, denied all allegations of wrongdoing and alleged that Claimants were sophisticated; gave indications of interest and increased the amount over Respondents' advice; that Violette L. Stroncek brought in other family members and a friend; and, that Claimants never gave a sell order.

Respondents, USAI and Williams, did not appear at the hearing or present any defense.

RELIEF REQUESTED

Claimants requested damages in the amount of \$13,500.00 for Violette L. Stroncek; \$5,000.00 for Lucille M. Harringshaw and Violette L. Stroncek; \$2,000.00 for Robert C. and Jeanne Remann; \$10,000.00 for Scott Walter and Kathryn M. Stroncek; plus, 12% interest.

Respondent requested dismissal.

OTHER ISSUES CONSIDERED & DECIDED

1. Pursuant to the record evidence contained in the NASD files, the Panel finds: that adequate service of the Claim was made to the last known addresses of Respondents, USAI and Williams, as reported to the NASD's Central Registration Depository; and, that adequate notice of the hearing was given to both USAI and Williams at such addresses.

2. Pursuant to Section 29 of the Code of Arbitration Procedure, this Award is rendered as if Respondents, USAI and Williams, entered an appearance in this matter.

3. The parties who appeared at the hearing 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, these parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Foland, is found not liable and, therefore, all claims against her are hereby dismissed.

2. Respondents, USAI and Williams, are found liable, jointly and severally, and shall pay to the Claimants the following amounts plus interest at the legal rate of 12% per annum from April 15, 1989 to the date of this Award:

(a) To Violette L. Stroncek, the amount of \$13,500.00 plus interest in the amount of \$4,792.50, for a total due to this Claimant of \$18,292.50;

(b) To Lucille M. Herringshaw and Violette L. Stroncek, the amount of \$5,000.00 plus interest in the amount of \$1,775.00, for a total due to these Claimants of \$6,775.00;

(c) To Robert C. and Jeanne Eszmann, the amount of \$2,000.00 plus interest in the amount of \$710.00, for a total due to these Claimants of \$2,710.00; and,

(d) To Scott Walter and Kathryn M. Stroncek, the amount of \$10,000.00 plus interest in the amount of \$3,550.00, for a total due to these Claimants of \$13,550.00.

OTHER COSTS

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

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$800.00 (two sessions x \$400.00). Respondents, USAI and Williams, are hereby assessed \$800.00, jointly and severally, \$400.00 of which shall be paid directly to the Claimants to reimburse them for the \$400.00 hearing session deposit previously paid and \$400.00 of which shall be paid to the National Association of Securities Dealers, Inc. The NASD shall retain the \$400.00 previously deposited by Claimants.

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

Concurring Arbitrators' Signatures

/s/
Diane M. Perry, Esq.

Public

/s/
Kjell W. Pettersen

Industry

/s/
Arthur J. Leibell, Esq.

Public

Date of Decision: April 1, 1992