

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

William G. Boyd

Claimant

vs.

Stuart-James Company, Inc.

Respondent

AWARD

Case #90-03653

CASE SUMMARY

Pro Se Claimant, William G. Boyd, in a claim filed with the National Association of Securities Dealers, Inc. on December 28, 1990, alleged that Respondent, Stuart-James Company, Inc. misrepresented the returns and risk involved in Independent Air Holdings, Inc. subordinated convertible notes. He further alleged that Respondent did not have a Prospectus available at the time of purchase and that when the Prospectus was received, the Prospectus summary was different from the Prospectus Body.

Respondent, The Stuart-James Company, Inc., through its attorney, Christa D. Taylor of Hart & Trinen, Denver, CO, maintained that Claimant was fully aware that Independent Air might make interest payments in cash or in shares of its common stock. Respondent further maintained that although Claimant had been happy with the previous year's interest payment in the form of shares because he had received more than he would have received if a cash distribution had been made, he claimed that he was unaware that Independent Air might pay interest in the form of shares. Respondent maintained that the issuer's shares were worth less in 1990 than in 1989, therefore, Claimant's interest payments were smaller.

Claimant replied that the method of interest payment was never discussed with him by the account executive, that he received the Prospectus after the purchase of the securities and a stock payment was never mentioned until the 1989 payment had been made. He stated that at that time, his account executive automatically converted it to cash and that Stuart-James reportedly forced Independent Air to increase the original stock payment to 12%.

RELIEF REQUESTED

Claimant requested repurchase by Respondent of the notes in question plus interest for an approximate total of Eighteen Hundred Dollars and No Cents (\$1,800.00)

Respondent requested dismissal of the claim.

AWARD

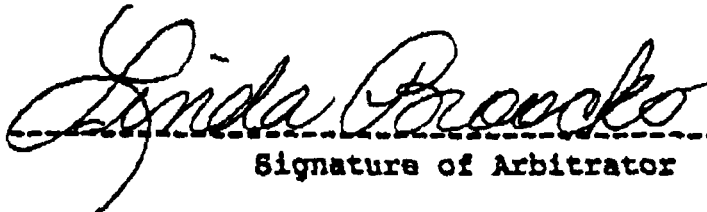
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Linda Brooks, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on December 17, 1990 and by the Respondent on March 8, 1991, respectively;

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Stuart-James Company, Inc. is liable and shall pay to the Claimant William G. Boyd the sum of Three Hundred Fifty Dollars and No Cents (\$350.00).
2. The parties shall bear their respective costs including attorney's fees.
3. The Twenty Five Dollar (\$25.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. The fee is assessed against Respondent Stuart-James Company, Inc. who shall pay \$25.00 to the Claimant William G. Boyd as reimbursement.

AFFIRMATION

I, LINDA BROOKS, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATED November 12, 1991

DATED BY THE NASD, INC.: November 12, 1991