

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between

Edwin Nelson, Aldo H. & Edina C. Nelson  
and Hazel M. Happe

Claimants

Case #91-00782 Award  
Edwin Nelson v. Landed  
Securities

v.

Case #91-00868 Award  
Aldo H. & Edina C. Nelson  
v. Landed Securities  
v. Allan Happe

Landed Securities

v.

Case #91-01100 Award  
Hazel M. Happe

v.

Allan Happe

Landed Securities

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") by Edwin Nelson on March 12, 1991, Aldo H. & Edina C. Nelson on March 19, 1991 and Hazel M. Happe on April 9, 1991 these Claimants who appeared Pro Se, in a consolidated matter, alleged that Respondent Landed Securities, Inc. failed to exercise due diligence before recommending Whitehawk Resources Debentures and misrepresented the debentures to be secured by specific properties. Claimants further alleged that they were informed that the debentures were to pay monthly interest and be secured by four specific oil wells with a stated value in excess of \$175,000.00. Claimants contended that Respondent continually withheld information regarding their investments. Claimants further contended that Whitehawk Resources defaulted after the first interest payment. Claimants argued that Landed Securities, Inc. acted with reckless disregard thus, causing them losses.

Respondent, Landed Securities, Inc. by and through its President, Ronald L. Brock, maintained that Claimants Aldo H. & Edina C. Nelson never purchased Whitehawk Resources Securities through Landed Securities, Inc. Respondent Landed Securities argued that if Claimants Aldo H. & Edina C. Nelson invested in Whitehawk Resources it was clearly outside the broker dealer

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relationship and asserted a Counterclaim against them for filing a fraudulent claim. Respondent Landed Securities, Inc. also asserted a Third Party Claim against their former manager, Allan Happe.

Claimants Aldo H. & Edina C. Nelson replied to the Counterclaim of Respondent Landed Securities, Inc. on August 10, 1991 and argued that Respondent is liable for their losses.

Third Party Respondent Allan Happe who appeared Pro Se, replied to the Third Party Claim and contended Landed Securities, Inc. entered into an agreement with Whitehawk Resources to participate in the distribution of debentures. Third-Party Respondent, Allan Happe further contended that Landed Securities, Inc. completed their due diligence and the debentures were approved for sale to their clients. Third Party Respondent, Allan Happe maintained that Landed Securities, Inc. was notified of Whitehawk Resources financial problems and that restitution would not be forthcoming to investors. Third Party Respondent, Allan Happe further maintained that Landed Securities, Inc. withheld this information from their clients. Third Party Respondent, Allan Happe asserted a Counterclaim against Third Party Claimant, Landed Securities, Inc. for an unspecified amount of damages and alleged that Landed Securities, Inc. is liable for losses.

Respondent, Landed Securities, Inc. failed to file a Statement of Answer to the Statement of Claim of Claimant Edwin Nelson.

Respondent, Landed Securities, Inc. failed to file a Statement of Answer to the Statement of Claim of Claimant Hazel M. Happe.

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RELIEF REQUESTED

Claimant, Edwin Nelson requested \$5,000.00 in actual damages plus interest from November 1989 and costs.

Claimant, Aldo H. & Edina Nelson requested \$10,000.00 in actual damages plus interest from August 1989.

Claimant, Hazel M. Happe requested \$10,000.00 in actual damages plus interest from August 1989.

Respondent, Landed Securities, Inc. requested \$50,000.00 in actual damages in a Counterclaim against Claimants, Aldo H. & Edina C. Nelson and dismissal of Claimants claim.

Respondent, Landed Securities, Inc. requested \$50,000.00 in actual damages in a Third Party Claim against Third Party Respondent, Allan Happe.

Third Party Respondent, Allan Happe asserted a Counterclaim against Third Party Claimant, Landed Securities, Inc. for an unspecified amount in actual against damages and dismissal of the Third Party Claim against him.

AWARD

Pursuant to Section 13 of the NASD Code of Arbitration Procedure, a single Public Arbitrator, Neil Edward Hanson was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant, Edwin Nelson on March 5, 1991, Claimants, Aldo H. & Edina C. Nelson on March 7, 1991, Claimant, Hazel M. Happe on March 27, 1991, by Third Party Respondent, Allan Happe on August 12, 1991 and not by Respondent, Landed Securities, Inc. as required by Section 12 & 13 of the NASD Code of Arbitration Procedure.

And, 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. The Respondent Landed Securities, Inc. is liable and shall pay to the Claimant, Edwin Nelson \$5,000.00 in damages.

2. The Respondent, Landed Securities, Inc. is liable and shall pay to the Claimant, Aldo H. & Edina C. Nelson \$10,000.00 in damages.

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3. The Respondent Landed Securities, Inc. is liable and shall pay to the Claimant, Hazel M. Happe, \$10,000.00 in damages.

4. Claimant, Edwin Nelson, Claimants, Aldo H. & Edina C. Nelson and Claimant, Hazel M. Happe's requests for interest are denied.

5. The Counterclaim of Respondent, Landed Securities, Inc. against Claimants, Aldo H. & Edina C. Nelson is dismissed.

6. The Third Party Claims of the Third Party Claimant, Landed Securities, Inc. against Third-Party Respondent, Allan Happe are dismissed.

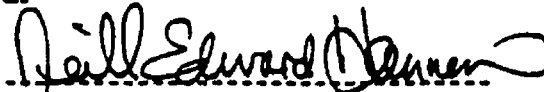
7. The Counterclaim of Third Party Respondent, Allan Happe against Third Party Claimant, Landed Securities, Inc. is dismissed.

8. The parties shall bear their respective costs.

9. The \$125.00 filing fee previously deposited with the NASD, Inc. by the Claimant, Edwin Nelson shall be retained by the NASD, Inc. The \$150.00 filing fee previously deposited by the NASD, Inc. by the Claimants, Aldo H. & Edina C. Nelson shall be retained by the NASD, Inc. The \$150.00 filing fee previously deposited with the NASD by the Claimant, Hazel M. Happe shall be retained by the NASD, Inc. Respondent, Landed Securities, Inc. shall pay to Claimant, Edwin Nelson, \$125.00, to Claimants, Aldo H. & Edina C. Nelson \$150.00 and to Claimant, Hazel M. Happe \$150.00 to reimburse them for the filing fees.

#### **AFFIRMATION**

I, Neill Edward Hannon, do hereby affirm upon my oath as arbitrator that I am individual described herein, who executed this instrument which is my oath and award.



Signature of Arbitrator

Date of Decision: February 24, 1992