

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

William L. Lancaster, Jr.
Curnell Dunning
David A. Jones
Jeffrey B. Postell, Sr.
Bobby C. Jones
Joe Gipson

and

91-01254

Name of Respondents

Harris Securities, Inc.
Harold P. Robb

REPRESENTATION OF PARTIES

Claimants William L. Lancaster, Jr., Curnell Dunning, David A. Jones, Jeffrey B. Postell, Sr., Bobby C. Jones, and Joe Gipson were represented by Coyt Randal Johnston, Esq. of Johnston & Budner, Dallas, Texas.

Respondents Harris Securities, Inc. and Harold P. Robb were represented by Anthony A. Petrocchi, Esq. of Weil & Petrocchi, P.C., Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about April 22, 1991. Claimants' Response to Motion to Decline Jurisdiction was filed on or about August 29, 1991. Submission Agreement of Claimant William L. Lancaster, Jr. was signed on April 8, 1991. Submission Agreement of Claimant Curnell Dunning was signed on April 8, 1991. Submission Agreement of Claimant David A. Jones was signed on April 8, 1991. Submission Agreement of Claimant Jeffrey B. Postell, Sr. was signed on April 8, 1991. Submission Agreement of Claimant Bobby C. Jones was signed on April 8, 1991. Submission Agreement of Claimant Joe Gipson was signed on April 8, 1991.

Motion to Decline Jurisdiction and Original Answer was filed by Respondents Harris Securities, Inc. and Harold P. Robb on or about August 14, 1991. Respondents' Reply to Claimants' Response to Motion to Decline Jurisdiction was filed on or about September 24, 1991.

Submission Agreement of Respondent Harris Securities, Inc. was signed on August 14, 1991 by Donald R. Harris. Submission Agreement of Respondent Harold P. Robb was signed on August 13, 1991.

HEARING INFORMATION

The hearing was held on Monday, April 19, 1993 for two (2) sessions, Tuesday, April 20, 1993 for two (2) sessions and Monday, May 3, 1993 for two (2) sessions in Dallas, Texas for a total of six (6) sessions.

CASE SUMMARY

Claimants William L. Lancaster, Jr., Curnell Dunning, David A. Jones, Jeffrey B. Postell, Sr., Bobby C. Jones, and Joe Gipson alleged that Respondent Harold P. Robb ("Robb") on behalf of Respondent Harris Securities, Inc. ("Harris")(collectively as "Respondents") recommended, touted and encouraged the purchase of Stratus Corporation, Ltd., a Canadian penny stock, which was wholly unsuitable for their particular investments needs; violated state and federal securities laws; and violated rules and regulations of the National Association of Securities Dealers, Inc. ("N.A.S.D. ").

Respondents denied the allegations set forth in the Statement of Claim. Respondents stated that Claimant William Lancaster introduced the remaining Claimants to Robb, that the Claimants indicated interest in purchasing the same security as William Lancaster, all Claimants paid cash for the purchases, and never indicated to Robb that they had depleted their savings to make the purchases complained of. Respondents further stated that Claimants William Lancaster and Bobby Jones had prior investment experience.

RELIEF REQUESTED

Claimants William L. Lancaster, Jr., Curnell Dunning, David A. Jones, Jeffrey B. Postell, Sr., Bobby C. Jones, and Joe Gipson requested an award in the following amounts:

William Lancaster, Jr.	\$11,000.00
Cornell Dunning	\$ 2,300.00
David A. Jones	\$ 8,975.24
Jeffrey B. Postell, Sr.	\$ 9,000.00
Bobby C. Jones	\$36,000.00
Joe Gipson	\$ 5,000.00

Claimants also requested and award of appropriate exemplary damages in the total amount of \$216,825.72, or punitive damages to be determined by the arbitrators, reasonable attorney's fees and costs.

Respondents requested that the claimants take nothing by their claim, an award of their costs, and for such other and further relief in law and in equity to which they may be entitled.

OTHER ISSUES CONSIDERED & DECIDED

The parties 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, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the N.A.S.D..

AWARD

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

1. Respondents Harris Securities, Inc. and Harold P. Robb shall be and hereby are jointly and severally liable for and shall pay to each of the Claimants as follows:

Cornell Dunning	\$ 2,307.00
David A. Jones	\$ 4,116.00
Jeffrey B. Postell, Sr.	\$ 4,015.00
Bobby C. Jones	\$18,179.00
Joe Gipson	\$ 2,035.00

Claimant William Lancaster, Jr. is awarded no damages.

2. Interest at the rate of 10% per annum is awarded on the above stated sums from May 3, 1993 until paid.
3. No punitive or exemplary damages are awarded herein.
4. Each party shall bear their own costs, expenses and attorney's fees incurred in this matter not specifically enumerated herein.

FORUM FEES

Pursuant to Section 43(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$200.00 and shall retain as forum fees the hearing session deposit in the amount of \$750.00 previously deposited with the N.A.S.D. on behalf of the Claimants. Respondents shall be jointly and severally liable for and shall pay to the N.A.S.D. the sum of \$3,750.00 as additional forum fees.

Forum fees are calculated at the rate of \$750.00 per hearing session and \$300.00 for each prehearing conference, if any.

The N.A.S.D. shall retain postponement fees in the total amount of \$1,500.00 of which \$750.00 had been previously deposited with the N.A.S.D. on behalf of the Claimants and \$750.00 had been previously deposited with the N.A.S.D. by Respondent Harris Securities, Inc. Fees are payable to the National Association of Securities Dealers, Inc.

Dated:

s/ Arch B. Gilbert, Esq.

June 1, 1993

Arch B. Gilbert, Esq.

Public Arbitrator, Presiding Chair

s/ Carroll V. Galbreath

June 3, 1993

Carroll V. Galbreath

Public Arbitrator

s/ Wilma Dolores Mefford

June 3, 1993

Wilma Dolores Mefford

Industry Arbitrator