

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Ronald Sam

vs.

91-01604

Name of Respondent(s)

Stuart-James Company Incorporated
William Calvert Kennington

REPRESENTATION

For Claimant: Mitchel C. Green, Esq.

For Respondent William Calvert Kennington: Martin M. Berliner, Esq.

CASE INFORMATION

Statement of Claim filed: May 23, 1991

Claimant's Submission Agreement signed on: April 26, 1991

Respondent William Calvert Kennington adopted the Statement of Answer filed by Stuart-James Company Incorporated, pursuant to the positions of the parties and the approval of the undersigned arbitrators at the hearing of this matter.

No Submission Agreement signed by Respondent William Calvert Kennington

HEARING INFORMATION

Prehearing Conference Date: None

Hearing Date/Sessions: May 27, 1992 (two sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged negligence, misrepresentations, breach of fiduciary duty, fraud, illegal mark up of stock prices over and above their actual market price and lack of supervision of the registered representative with respect to Claimant's investments in penny stock type securities.

Respondent asserted that Claimant failed to state a claim for which any relief can be granted and the statutes of limitations applicable to the claim would have run in any event. Respondent also asserted that Claimant failed to mitigate his damages, if such were suffered.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages in the amount of approximately \$25,000;
2. Interest on said damages at the statutory rate from the date of loss to the present;
3. Punitive damages in such amount as the panel may determine;
4. Claimant's cost of suit and attorney's fees; and
5. Such other and further relief as the panel of arbitrators may deem just and proper.

Respondent requested dismissal of Claimant's Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

The NASD received a notice from John F. McBride of Hart & Trinen on January 6, 1992, advising that an involuntary petition in bankruptcy was filed against Stuart-James Company Incorporated in the United States Bankruptcy Court for the District of Colorado, Bankruptcy Case No. 91-23914-RJB. The NASD was precluded from proceeding against Stuart-James Company Incorporated by virtue of said notice.

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 originals remain on file with the NASD.

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. All claims asserted against Respondent William Calvert Kennington are dismissed.

2. The parties shall each bear their respective costs including attorneys' fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$400 hearing session deposit previously deposited by the Claimant.

ARBITRATION PANEL

Public/Industry

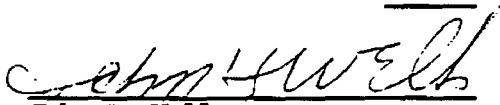
Public Arbitrator

Public Arbitrator

Industry Arbitrator

Signature

DATE SERVED: 07/01/92


John B. Wells

Date of Decision: _____