

N.A.S.D. AWARD**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

In the Matter of the Arbitration Between

Name of Claimant

John D. Paulson

91-03122

Name of Respondent

Dougherty Dawkins Strand & Yost

REPRESENTATION

For Claimant. John Paulson, at the hearing: Bruce Pearson, Bruce Pearson, Inc., Fargo, North Dakota.

For Respondent. Dougherty Dawkins, Strand & Yost at the hearing: Frank A. Taylor, Esq. of Popham Haik Schnobrich & Kaufman, Ltd., Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed: October 4, 1991. Claimant's Submission Agreement signed on June 4, 1991.

Statement of Answer filed: November 26, 1991. Respondent's Submission Agreement signed on: December 2, 1991.

HEARING INFORMATION

Date/Session: August 24, 1993 for one (1) session.

Location: Minneapolis, Minnesota.

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CASE SUMMARY

Claimant, John Paulson ("Paulson") alleged that they purchased Tax Free MIDA bonds for the "Black Building" from Respondent Dougherty Dawkins, Strand & Yost ("Dougherty Dawkins") who acted as the underwriter of the bonds, that the general partners eventually defaulted on the bond obligations, and that Paulson's only remedy was to take title to the building along with the other bondholders. Paulson alleged Dougherty Dawkins knew or should have known that the building contained asbestos and other environmental hazards throughout the building. Paulson alleged the building is now at a negative net worth of \$1,000,000.00 after removal of all identifiable hazardous materials.

Respondent Dougherty Dawkins alleged that Paulson's claims were not stated with particularity and that until Paulson does so, Dougherty will be unable to frame a response.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$15,000.00, interest in the amount of \$2,025.00, arbitration cost in the amount of \$1,250.00, and hearing fee in the amount of \$500.00.

Respondent requested that the Statement of Claim be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Dougherty Dawkins filed a Motion to Dismiss and an Amended Motion to Dismiss prior to the hearing and at the hearing. The panel took the motion under advisement. After the presentation of the Claimant's case, the panel granted the Respondent's Motion to Dismiss and dismissed the Statement of Claim.

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. The Claimant's Statement of Claim is dismissed in its entirety. [See Other Issues Considered and Decided.]

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FORUM FEES


1 session x \$400 = \$400 minus hearing session deposit of \$400 = net 0 due.

The NASD shall retain the non-refundable filing fee in the amount of \$100 and shall retain the hearing session deposit in the amount of \$400 which was previously deposited with the NASD.

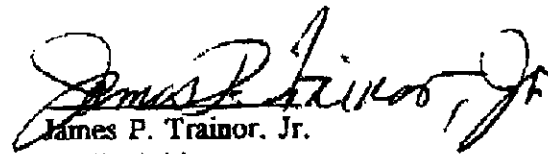
By The Arbitration Panel:

Dated:

Oct 14, 1993


Jack D. Elmquist, Esq., Presiding
Public Arbitrator

Oct. 15, 1993


James P. Trainor, Jr.
Public Arbitrator

Oct. 18, 1993


Fred J. Souba
Industry Arbitrator

Date Award Served by the NASD: 10-22-93