

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Lyle T. Cordray and Penny A. Cordray

NASD Arbitration
No. 92-01785

Name of Respondents

Dain Bosworth Incorporated
Linda M. Stuart

REPRESENTATION

For Claimant: Michael G. Hanlon, Esq., Portland, Oregon.

For Respondent: Mark A. Turner, Esq., Ater Wynne Hewitt Dodson & Skerritt,
Portland, Oregon.

CASE INFORMATION

Statement of Claim filed: May 28, 1992

Claimant's Submission Agreement signed: May 13, 1992.

Statement of Answer filed by Dain Bosworth: August 27, 1992

Respondent Dain Bosworth's Submission Agreement signed: August 3, 1992

Respondent Linda Stuart did not file an answer nor did she execute a submission agreement. The panel determined at hearing that she had not been properly served and is therefore not a party to the decision set forth below.

HEARING INFORMATION

Hearing Date/Sessions: June 22, 1993 - 2 sessions
Hearing Location: Portland, Oregon

CASE SUMMARY

Claimants alleged sale of an unregistered security, failure to supervise, lack of suitability, misrepresentation and omissions of material fact in connection with recommendations and sale of common stocks and a security in the form of a bridge loan financing guaranteed by a surety bond.

Respondent denied all allegations of wrongdoing, and asserted that Claimants authorized and acknowledged each and every investment purchase on their own initiative. Further, Respondent asserts that Claimants' purchase of the bridge loan was not an approved transaction and was conducted outside the course of Dain Bosworth's compliance procedures. Respondent asserted that the bridge loan was not a security, and as such, did not have to be registered in the State of Oregon. Lastly, Respondent alleged that all claims are barred by applicable statutes of limitations.

RELIEF REQUESTED

Claimants requested compensatory damages of \$44,700.00, interest at 9%, punitive damages of \$100,000.00, attorney's fees and costs of arbitration.

Respondent requested dismissal of all claims.

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 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. Respondent Dain Bosworth is liable for and shall pay to Claimant the sum of \$5,000.00 only.
2. The claims for damages relating to the IRA accounts are dismissed.
3. The claim for punitive damages is dismissed.
4. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall refund to Claimants the \$750.00 hearing session fee previously deposited.

Respondent Dain Bosworth is assessed \$1,500.00 for 2 hearing sessions (\$750 / session).

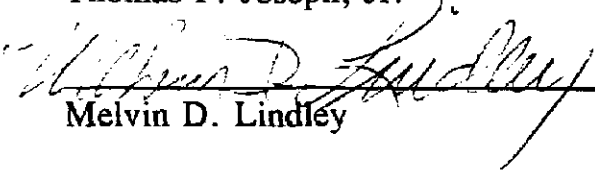
Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Thomas P. Joseph, Jr.	Public Chairperson
Melvin D. Lindley	Public Panelist
Gordon MacMillan	Industry Panelist

Concurring Arbitrators' Signatures

Thomas P. Joseph, Jr.



Melvin D. Lindley

Dissenting Arbitrator's Signature

I dissent to the amount of damages awarded and would have awarded \$21,100, but concur in all other aspects of this award.

Gordon MacMillan