

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

William R. Wollrab

and

92-02833

Name of Respondents

Paulson Investment Company, Inc. and
Richard Ruiz

REPRESENTATION OF PARTIES

Claimant William R. Wollrab appeared pro se.

Respondent Paulson Investment Company, Inc. was represented by Harry L. Striplin.

Respondent Richard Ruiz appeared pro se.

CASE INFORMATION

The Statement of Claim was filed on or about August 24, 1992. Claimant's Submission Agreement was signed on September 08, 1992.

Statement of Answer was filed by Respondent Paulson Investment Company, Inc. on or about October 8, 1992. Submission Agreement of Respondent Paulson Investment Company, Inc. was signed on October 6, 1992 by Harry L. Striplin.

Statement of Answer was filed by Respondent Richard Ruiz on or about October 6, 1992. Submission Agreement of Respondent Richard Ruiz was signed on October 2, 1992.

HEARING INFORMATION

The hearing of this matter was held on Wednesday, March 10, 1993 for two (2) sessions in Denver, Colorado.

CASE SUMMARY

Claimant alleged that Respondent Richard Ruiz an employee of Respondent Paulson Investment

Company, Inc. (collectively as "Respondents") failed to disclose that Scorpion Technology, Inc. was under S.E.C. investigation at the time he solicited his purchase of stock.

Respondent Paulson Investment Company, Inc. stated that the Claimant contacted its' Phoenix office indicating interest in the Scorpion Technology offering. The claimant was referred to Mr. Ruiz who did not actively solicit orders to purchase the stock in question. Respondent Paulson also stated that the Claimant received a prospectus which disclosed information regarding the S.E.C. investigation.

Respondent Richard Ruiz stated that he was asked by his branch manager to contact Mr. Wollrab after he had called the Phoenix office indicating an interest in Scorpion Technologies stock. Ruiz stated that he had forwarded to the claimant a preliminary prospectus and subsequently discussed the stock with the claimant. Respondent Richard Ruiz denied the allegations that he omitted or deleted any material facts intentionally or otherwise.

RELIEF REQUESTED

Claimant requested an award in the amount of \$8,452.31.

Respondent Paulson Investment Company, Inc. requested that the claims be dismissed against it and Richard Ruiz.

Respondent Richard Ruiz requested that the claims asserted against him be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Paulson Investment Company, Inc. asserted a motion to dismiss subsequent to making its opening statement. After considering the arguments presented by the parties, the undersigned arbitrator denied the motion and proceeded with the hearing.

The parties have agreed that a handwritten, signed Award may be entered and to receive conformed copies of the award while the original remains on file with the NASD.

AWARD

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

1. The claims asserted herein shall be and hereby are dismissed in their entirety.
2. Each party shall bear its own costs, expenses and fees incurred in this matter not specifically enumerated herein.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$75.00 and shall retain the hearing session deposit in the amount of \$200.00 previously deposited with the NASD by the Claimant. In addition, the following forum fees are assessed: Forum fees in the amount of \$200.00 assessed against Respondent Paulson Investment Company, Inc. Fees are payable to the National Association of Securities Dealers, Inc.

Dated:


James B. Eichberg
Presiding Chair, Public Arbitrator


March 15, 1993