

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Dan Knaup

92-03421

Name of Respondents

Barry A. Bates
Michael Pittman
Ralph Pittman
Kevin Campbell

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 8, 1992, Claimant Dan Knaup, who appeared Pro Se, alleged that Respondent Kevin Campbell of Brennan Ross Securities, Inc. (currently Tamaron Investments, Inc.) heavily solicited him to purchase 13,000 shares of U.S. Mint at \$.75 per share by repeatedly assuring him that U.S. Mint was a "sure thing", ready to "double it's stock price in 6-8 weeks", and was a "very sound company" with great demand for their game tokens, little debt compared to their assets, in addition to the ownership of 4 million dollars of land. Claimant further alleged that two weeks after his purchase Respondent Kevin Campbell informed him that U.S. Mint had ceased doing business and filed for bankruptcy in February, 1991. Claimant contended that Respondent Kevin Campbell apologized for recommending the stock and admitted they should have investigated U.S. Mint more thoroughly, but blamed the entire fiasco on U.S. Mint officials. Claimant further contended that Respondent Kevin Campbell informed him that Brennan Ross Securities, Inc. was changing their name to Tamaron Investments, Inc. and subsequently, Claimant learned that at the time of his purchase, U.S. Mint was but a shell of a company which had a substantial debt and their assets did not include ownership of the land previously mentioned. Claimant asserted that Respondent Kevin Campbell's conduct represented a gross violation of the securities laws of Kansas and NASD rules and regulations. Claimant further asserted that Respondent Barry A. Bates, Michael and Ralph Pittman knowingly planned with U.S. Mint officials to defraud unsuspecting investors which was done by making false and misleading statements and omissions including press releases, whereby Respondents are liable for Claimant's losses.

Respondents Barry A. Bates, Michael Pittman, Ralph Pittman and Kevin Campbell, by and through their Senior Compliance Analyst, J. Patrick Driver of Tamaron Investments, maintained that Respondents Michael Pittman and Barry A. Bates state that they never met Claimant Dan Knaup, never had any written or oral communication with Claimant; and never had any involvement whatsoever with Claimant's account at Brennan Ross Securities or with the activities in the account which are the subject of this complaint. Respondent Ralph Pittman further maintained that his only contact with Claimant was his letter in which he stated that Claimant was in favor of the class action suit against U.S. Mint by its shareholders and that nowhere in Claimant's statement does he state that he ever discussed or contacted him with regards to his purchase of U.S. Mint. Respondent Ralph Pittman contended that it is impossible for him to respond to a claim which makes no reference as to how liability on his part could be associated with this transaction and therefore, asserts a Motion to Dismiss for Claimant's failure to state a claim upon which relief can be granted. Respondent Kevin Campbell further contended that Claimant purchased 13,000 shares of U.S. Mint at \$.75 per share and that at no time did he ever guarantee a price nor guarantee a specific return on the investment. Respondent Kevin Campbell asserted that he kept in contact with Claimant regarding his investment and Claimant also received quarterly statements reflecting the price changes that occurred regarding U.S. Mint whereby, at no time did Claimant question the fact that the position was decreasing in value. Respondent Kevin Campbell further asserted that he relied in good faith on U.S. Mint's press releases and the information the company reported in its 10K's and 10Q's which are reviewed by certified accountants and attorneys prior to their release, as the basis for his recommendation of U.S. Mint stock to Claimant. Respondents Barry A. Bates, Michael Pittman, Ralph Pittman and Kevin Campbell further maintained that the only people who committed a fraud in regards to this company were the officers and directors of U.S. Mint who produced the press releases and who were responsible for the day to day running of the company, and if the state of Nevada was taken, as the brokerage houses and the clients of the houses were.

RELIEF REQUESTED

Claimant Dan Knaup requested \$9,765.00 in actual damages plus \$335.00 in Punitive damages.

Respondents Barry A. Bates, Michael Pittman, Ralph Pittman and Kevin Campbell requested the claim be dismissed with prejudice and they be awarded fees and costs.

AWARD

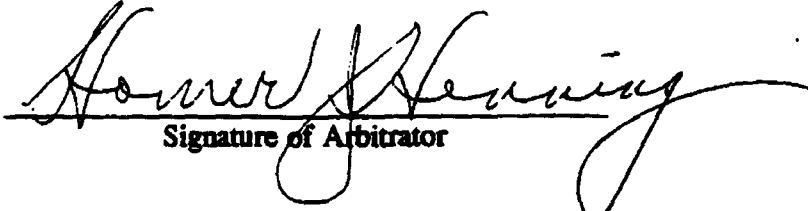
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Homer J. Henning, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 25, 1992, by Respondent Barry A. Bates on November 11, 1992, by Respondent Michael Pittman on November 16, 1992, by Respondent Ralph Pittman on November 12, 1992 and by Respondent Kevin Campbell on December 7, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Ralph Pittman's Motion to Dismiss is denied.
2. Respondents Barry A. Bates, Michael Pittman, Ralph Pittman and Kevin Campbell are jointly and severally liable and shall pay to the Claimant Dan Knaup the sum of \$9,765.00 in damages.
3. The Claimant's request for Punitive damages is denied.
4. The parties shall bear their respective costs.
5. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Dan Knaup shall be retained by the NASD, Inc.

AFFIRMATION

I, HOMER J. HENNING, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

DATE OF DECISION: March 16, 1993