

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimants

Louis L. and H. Joyce Kirkpatrick

and

93-00734

Name of Respondents

Hanover Sterling Company, Ltd. and
Steve Ropas

REPRESENTATION OF PARTIES

Louis L. and H. Joyce Kirkpatrick ("Claimants") were represented by Paul G. Bursiek, Esq. of Pendleton & Sabian, P.C., Denver, Colorado.

Hanover Sterling Company, Ltd. ("Hanover") and Steve Ropas ("Ropas") were represented by M. David Sayid, Esq. of Hanover Sterling Company, Ltd., New York, New York. All Respondents appeared at the hearing via telephone.

CASE INFORMATION

The Statement of Claim was filed on or about February 26, 1993. Addendum to Statement of Claim was filed on or about March 15, 1993. Submission Agreement of Claimants was signed on February 23, 1993.

Statement of Answer was filed by Respondent Hanover on or about August 9, 1993 via facsimile. No submission agreements were filed on behalf of either Respondent.

HEARING INFORMATION

The hearing was held on Friday, August 13, 1993 in Denver, Colorado for a total of one (1) session.

CASE SUMMARY

Claimants alleged that certain transactions in their account were unauthorized and that Respondents failed to execute an order to purchase shares of Alter Sales Inc. The unauthorized transactions are the purchase and ultimate sale of Surety Cap Corp., purchase of LA Entertainment.

The Answer filed by Respondent Hanover was not accepted by the undersigned arbitrators pursuant to §25(b)(2)(iii) of the N.A.S.D. Code of Arbitration Procedure.

Respondent Ropas did not file an Answer.

RELIEF REQUESTED

Claimants requested that his account reflect a long position of 1,000 shares of Blue Chip Computerware Inc., 500 shares of Alter Sales Inc. together with a cash balance of approximately \$11,500.00. Claimants also requested reimbursement of fees paid for this arbitration.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file, the panel has determined that Respondents Hanover and Ropas had been properly served with the Statement of Claim pursuant to §13 and §25 of the N.A.S.D. Code of Arbitration Procedure (the "Code"). The panel also determined that Respondents Hanover and Ropas had received due notice of the hearing as required under §26 of the Code and that arbitration of the matter would proceed pursuant to §29 of the Code.

Respondents Hanover and Ropas did not file with the N.A.S.D. properly executed submissions to arbitration but are required to submit to arbitration pursuant to §12 of the N.A.S.D. Code of Arbitration Procedure (the "Code") and having appeared and testified at the hearing telephonically are bound by the determination of the arbitration panel on all issues submitted.

On Wednesday, August 11, 1993, the parties were advised that the panel had denied Hanover's request for an adjournment of the hearing scheduled for Friday, August 13, 1993 and that the Answer would not be received by this panel pursuant to §25(b)(2)(iii) of the Code. The parties were further advised that Respondent Hanover would be allowed to participate in the hearing telephonically.

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 original(s) remain on file with the N.A.S.D.

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. Respondents Hanover Sterling Company, Ltd. and Steve Ropas shall be and hereby are jointly and severally liable for and shall pay to the Claimants Louis L. and H. Joyce Kirkpatrick the sum of *Fifteen thousand five hundred thirty dollars* (\$15,530.00).

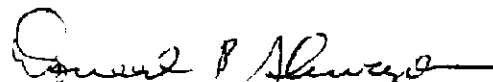
2. Respondents Hanover Sterling Company, Ltd. and Steve Ropas shall be and hereby are jointly and severally liable for and shall pay to the Claimants Louis L. and H. Joyce Kirkpatrick the sum of *Three thousand dollars* (\$3,000.00) as attorney's fees.
3. Respondents Hanover Sterling Company, Ltd. and Steve Ropas shall be and hereby are jointly and severally liable for and shall pay to the Claimants Louis L. and H. Joyce Kirkpatrick the sum of *Five hundred dollars* (\$500.00) as costs.
4. Interest at the rate of 6% per annum is awarded on the sum stated in paragraph one (1) above from March 1, 1993 until the date this award is paid in full.
5. Upon receipt of the sums awarded above, Claimants shall assign all rights and interest in the account held at Hanover Sterling Company, Ltd. *to the Respondents. 4K* Claimants shall execute any and all documents necessary to effect such assignment or transfer. *OK Jm*
6. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter not specifically enumerated herein.

FORUM FEES

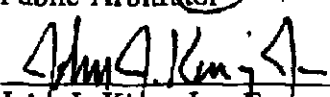
Pursuant to §43(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$100.00 and shall retain as forum fees the hearing session deposit in the amount of \$400.00 previously deposited with the N.A.S.D. by the Claimants.

Forum fees are calculated at the rate of \$400.00 per hearing session and \$300.00 for each prehearing conference, if any. Fees are payable to the National Association of Securities Dealers, Inc.

Dated:


Donald P. Shwayder, Esq.
Public Arbitrator, Presiding Chair


John Fleming Kelly, Esq.
Public Arbitrator


John J. King, Jr., Esq.
Industry Arbitrator

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