

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Josef Granwher, and
Gabriela Granwher,
Claimants,

v.

No. 93-01947

R.G. Dickenson & Co. n/k/a
Dickenson & Co.,
Respondent

REPRESENTATION OF PARTIES

Josef and Gabriela Granwher ("Claimants") were represented by Bruce Pearson from Fargo, North Dakota.

Respondent Dickenson & Co. ("Respondent") was represented by Catherine Gnatek, Esq. of Dorsey & Whitney, Minneapolis, Minnesota.

CASE INFORMATION

Claimants' Statement of Claim was filed on or about April 23, 1993.

Claimants' Submission Agreement was signed on April 13, 1993.

Respondent's Statement of Answer was filed on or about August 2, 1993.

Respondent's Submission Agreement was signed on July 23, 1993.

HEARING INFORMATION

Hearing date: October 25, 1994. Two (2) sessions.

Hearing Location: Omaha, Nebraska.

CASE SUMMARY

Claimants alleged that under Rule 10b5 of the Securities Act that Respondent failed to perform adequate due diligence, made misleading statements, omitted material facts, and breached their fiduciary responsibility. The allegations arose out of a purchase of a partnership interest in Signal Natural Gas Partners ("SNGP") in the fall of 1990.

In its Answer, Respondent denied each and every allegation of wrongdoing contained in the Statement of Claim and further denied liability of any kind to Claimants. In addition, Respondent

asserted the following affirmative defenses: The Statement of Claim fails to state a claim upon which may be granted; Claimants' actions or inaction bar them from recovery under the Statement of Claim by reason of the doctrine of waiver; Claimants' actions or inaction bar them from recovery under the Statement of Claim by reason of the doctrine of estoppel; Claimants' have suffered no damages as a result of any wrongful actions or inactions on the part of the Respondent; Claimants' claims are barred or reduced by reason of their own negligence and failure to exercise such diligence with respect to their investments as would be expected of a reasonable person under the same circumstances; Claimants' losses, if any, were caused or contributed to by the acts of Signal and its personnel over whom Respondent did not have control and for whom Respondent is not responsible; Bruce Pearson lacks standing or legal authority to bring this action or to represent Claimants.

RELIEF REQUESTED

Claimant requested a return of principal in the amount of \$25,000, interest at the rate of seven (7%) percent, filing fees in the amount of \$500.00, and representative costs in the amount of \$2,500.00.

Respondent requested that all of Claimants' claims and allegations of damages against Respondent be dismissed and that Claimants and Bruce Pearson, as their representative, reimburse Respondent for all its reasonable fees and expenses.

OTHER ISSUES CONSIDERED & DECIDED

On October 25, 1994, at the close of Claimants' case, Respondent made an oral Motion to Dismiss Claimants' claims. After hearing argument from the parties, and deliberation, the arbitrators granted Respondent's Motion to Dismiss.

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. Claimants Josef and Gabriela Granwher's claims are, and each of them, denied and dismissed with prejudice.

OTHER COSTS

Each party shall bear their own costs and fees associated with this arbitration, including representatives' and attorneys' fees, except as set forth more fully below.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure (the "Code"), the following forum fees are assessed:

2 hearing sessions x \$400.00 = \$800.00

Pursuant to Section 43(c) of the Code, the NASD shall retain the nonrefundable filing fee in the amount of \$100.00, and shall RETAIN the hearing session deposit in the amount of \$400.00 previously paid to the NASD by the Claimants.

Forum fees in the amount of \$400.00 are assessed against the Claimants.

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

CONCURRING ARBITRATORS

Dated:

11-7-94

Name:



Arnold J. Stern
Presiding Chair
Public Arbitrator

Bruce C. Young
Industry Arbitrator

George A. Abbott
Public Arbitrator

Date of Service by the NASD: 11-10-94

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COMPUTING ARBITRATORS

Dated:

Name:

Arnold J. Stern
Presiding Chair
Public Arbitrator

11-7-94

Bruce C. Young
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George A. Abbott
Public Arbitrator

Date of Service by the NASD: 11-10-94