

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Wylie Knight, and
Virginia Knight,
Claimants,

v.

No. 93-04878

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

REPRESENTATION OF PARTIES

Wylie and Vida Knight ("Claimants") were represented by Bruce Pearson from Fargo, North Dakota.

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

CASE INFORMATION

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

Claimants' Submission Agreement signed on November 9, 1993.

Respondent's Statement of Answer was filed on or about January 18, 1994.

Respondent's Submission Agreement signed on December 17, 1993.

HEARING INFORMATION

Hearing date: July 12, 1994. One (1) session.

Hearing Location: Kansas City, Missouri.

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; any loss that the Claimants suffered as a result of their investment in SNGP was caused by market factors beyond Respondent's control and the Claimants' own voluntary investment decision; Claimants' claim is barred, in whole or in part, by the applicable statute of limitations; and Claimants assumed the risk associated with the investment decision they made.

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 the arbitrators deny the Statement of Claim in its entirety and award Respondent its costs and attorneys' fees incurred in responding to it.

OTHER ISSUES CONSIDERED & DECIDED

On or about June 15, 1994, Respondent filed a Motion to Dismiss the Statement of Claim as time-barred. Claimants filed their response to the motion on or about July 7, 1994. On July 12, 1994, after the hearing was formally opened, the panel heard argument from the parties concerning the Motion to Dismiss. After consideration of the pleadings, the motion, and the response, and deliberation, the panel granted the motion for failure to file in a timely fashion.

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', Wylie Knight's and Vida Knight's, claims are 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:

1 hearing session x \$400.00 = \$400.00

Pursuant to Section 43(c) of the Code, the NASD shall retain the nonrefundable filing fee in the amount of \$100.00, and shall REFUND 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 Respondent.

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

CONCURRING ARBITRATORS

Dated:

7/12/94

Name:

Murray S. Levin

Murray S. Levin
Presiding Chair
Public Arbitrator

7/12/94

Robert L. Cowee

Robert L. Cowee
Industry Arbitrator

7/12/94

Richard D. Sewell
Richard D. Sewell
Public Arbitrator

Date of Service by the NASD: 7-20-94