

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

**In the Matter of the Arbitration Between**

**Name of Claimant**

Friederich & Associates, Ltd.

93-05157

(consolidated with 93-05167)

**Name of Respondent**

R.G. Dickinson & Co., Inc.

**Name of Claimant**

Gary & Julie Ann Friederich

93-05167

**Name of Respondent**

R.G. Dickinson & Co., Inc.

**Representation of Parties**

Claimants Friederich & Associates, Ltd., ("Friederich") and Gary & Julie Ann Friederich ("Friederichs") (collectively as "Claimants") were represented by Bruce Pearson, Fargo, North Dakota.

Respondent, R.G. Dickinson & Company, Inc. ("Dickinson") was represented by David C. Lundsgaard, Esq. of Dorsey & Whitney, Minneapolis, Minnesota.

**Case Information**

The Statement of Claim in case number 93-05157 was filed on December 13, 1993. Submission Agreement of Claimant Friederich & Associates, Ltd. was signed on January 29, 1994. Submission Agreement of Claimants Gary & Julie Ann Friederich was signed on November 29, 1994.

The Statement of Answer in case number 93-05157 was filed on or about March 29, 1994. The Uniform Submission Agreement was signed on April 15, 1994.

The Statement of Claim in case number 93-05167 was filed on December 13, 1993. The Uniform Submission Agreement was signed on November 29, 1994.

The Statement of Answer in case number 93-05167 was filed on or about February 15, 1994. Submission Agreement was signed on February 3, 1994.

### **Hearing Information**

The hearing was held on November 21, 1994 for one (1) session in Chicago, Illinois.

### **Case Summary**

Claimants alleged that R.G. Dickinson made material misrepresentations to them in connection with their purchase of interests in Signal Natural Gas Partners. Specifically, Claimants alleged that Respondent represented to them that the Principal Investment Guarantee set forth in the Offering Circular was valid; that cash flow to the investors would commence within 150 days; and that the investors were guaranteed a minimum production of 155,000 cubic feet of natural gas per day.

Respondents denied the allegations set forth in the Statements of Claim and stated that the Claimants are knowledgeable investors who were informed of all information relevant to their investment and were provided with an offering circular. Respondent further stated that it acted according to the law and industry rules and regulations. The following affirmative defenses were also asserted by Respondent: failure to state a claim; failure to show causation; the claims are barred by the applicable statutes of limitations; and assumption of the risk.

### **Relief Requested**

Claimants Gary R. and Julie Ann Friederich requested an award in the amount of \$28,000. Claimant Friederich & Associates, LTD requested an award in the amount of \$28,000.

Respondent requested that the claims asserted against it be dismissed in their entirety and that it be awarded its' costs and attorneys' fees.

### **Other Issues Considered and Decided**

Respondent, R.G. Dickinson filed a Motion To Dismiss with prejudice based on claimant's failure to comply with the arbitrator's Orders on Discovery. Dickinson requested the amount of \$1,105.00 for legal fees and costs. The panel granted the motion and the arbitration was subsequently dismissed. (See Award)

### **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. The Statements of Claim filed in matters 93-05157 and 93-05167 shall be and hereby are

denied and dismissed with prejudice;

2. Claimants, Friederich & Associates, Ltd. and Gary & Julie Ann Friederich shall be and hereby are jointly and severally liable for and shall pay to the Respondent, R.G. Dickinson & Co., Inc., the sum of **One Thousand, One Hundred Five Dollars and Fifty Cents (\$1,105.50)**.

#### **Forum Fees**

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There was one (1) session x \$400 = \$400 in forum fees. Pursuant to §43(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §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 \$100 and shall **retain** as forum fees the hearing session deposit in the amount of \$400 previously deposited with the NASD by the Claimant Friederich & Associates, Ltd. The National Association of Securities Dealers, Inc. ("NASD") shall **retain** the non-refundable filing fee in the amount of \$100 and shall **retain** the hearing session deposit in the amount of \$400 previously deposited with the NASD by Claimants Gary & Julie Ann Friederich as the postponement fee assessed pursuant to §30 of the NASD Code of Arbitration Procedure.

#### **By The Arbitration Panel:**

Dated:

**August 9, 1995**

**/s/ Peter V. Baugher, Esq.**  
Peter V. Baugher, Esq.  
Presiding, Public Arbitrator

**August 7, 1995**

**/s/ Cynthia R. Lyons, Esq.**  
Cynthia R. Lyons, Esq.  
Public Arbitrator

**August 8, 1995**

**/s/ Morgan F. McDonnell**  
Morgan F. McDonnell  
Industry Arbitrator

Date Award Served By The NASD: \_\_\_\_\_