

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

DFB (Australia) PTY, Ltd.

94-00558

Name of Respondent

M. Rimson & Co., Inc.

REPRESENTATION

For Claimant DFB (Australia) PTY, Ltd. (hereinafter referred to as "Claimant") was represented by Haig V. Kalbian, Esq. of the Law Offices of Haig V. Kalbian, Washington, D.C.

For Respondent M. Rimson & Co., Inc. (hereinafter referred to as "Respondent") was represented by Leon B. Lipkin, Attorney at Law, New York, NY

CASE INFORMATION

Statement of Claim filed: February 14, 1994
Claimant's Submission Agreement signed on: March 17, 1994

Statement of Answer filed by Respondent on: September 20, 1994
Respondent's Submission Agreement signed on: September 8, 1994

HEARING INFORMATION

Hearing Date/Sessions: April 11, 1995 - two sessions

Hearing Location: NASD District 9, Washington, D.C.

CASE SUMMARY

Claimant, in its pleading, alleged, among other things, that Respondent failed to execute three sale orders although each trade had been confirmed in writing by Respondent to Claimant. Claimant alleged that in early September 1993, DFB instructed an agent of Respondent to sell 120,000 shares of World Entertainment Concepts, Inc. ("WECI"). Claimant alleged that Respondent's agent confirmed to Claimant on September 30, 1993 the sale of WECI at \$2.75. Claimant alleged it received a letter, dated October 5, 1993, from Raymond T. Brown ("Mr. Brown") of Respondent's International Accounts Division, confirming this transaction. Claimant alleged

that on settlement day, Respondent's agent sent a facsimile to Claimant canceling the trade. Claimant alleged that Respondent had no authority to unilaterally cancel the trade. Claimant alleged that it continued to attempt to reach an amicable resolution of this dispute with Respondent and continued to work with Respondent toward a satisfactory resolution. Claimant alleged that once again it requested that Respondent sell WEIC at \$2.75. Claimant alleged that Respondent over one month later confirmed the execution of 20,000 shares of WEIC at \$2.75. Claimant alleged that once again it received a confirmation for this trade and once again the trade was unilaterally canceled without authority to do so. Claimant alleged that it sent a letter to Respondent's principal on October 20, 1993, demanding corrective action and that Respondent did not reply to this letter. Claimant asserted that it is fully entitled to require Respondent to honor the sale of 120,000 shares of WEIC as originally confirmed by Respondent. Claimant alleged that it had placed a sale order for 100,000 shares of F&E Resource Systems Technology, Inc. ("FERS"). Claimant alleged that it received a writing from Respondent's agent whereby Respondent confirmed that it would purchase all 100,000 shares of FERS at \$1.375 per share. Claimant alleged that Respondent without authority to do so, canceled this transaction.

Respondent, in its pleading, categorically denied all allegations of wrongdoing asserted by Claimant. Respondent maintained, among other things, that no confirmation for the 120,000 shares of WEIC exists. Respondent maintained that the October 5, 1993 letter had been written by Mr. Brown to City & Clairmont Nom., Ltd without authority and without knowledge of Respondent. Respondent maintained that upon learning of the bogus trade, a letter was sent by Respondent to Claimant over the signature of Mr. Brown and Respondent's chief financial officer canceling the bogus trade. Respondent denied the sale of FERS and maintained that Claimant instead received a letter from Mr. Brown without authority and unknown to Respondent.

RELIEF REQUESTED

Claimant requested damages in the amount of \$441,200; including interest and punitive damages in the amount of \$55,000.

Respondent requested that Claimant's claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

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 remains on file

with the NASD.

Claimant informed the arbitrators prior to presenting their evidence, that Claimant had dismissed from its claim all portions of its claim against Respondent dealing with FERS.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondent M. Rimson & Co., Inc. shall be and hereby is liable for and shall pay to Claimant DFB (Australia) PTY, Ltd., \$142,548.56; inclusive of interest.
2. Claimant's claim for punitive damages is denied in its entirety.
3. The parties shall bear their respective costs including attorneys' fees except as specifically stated herein.

OTHER FEES AND COSTS

No additional fees or costs were assessed to the parties. Any and all fees deposited with the NASD shall be retained by the NASD except for any reimbursements indicated below.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

3 hearing sessions X \$750 = \$2,250

There were no prehearing conferences with the parties.

Forum Fees Assessed Against: Respondent M. Rimson & Co., Inc. M. Rimson & Co., Inc. shall refund to the Claimant its hearing session deposit previously paid of \$750. Respondent shall pay to the NASD forum fees for the remaining two hearing sessions \$1,500.

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

Dated:

8/21/95

By The Arbitration Panel:

Eugene I. Goldman

Eugene I. Goldman, Esq., Presiding
Public Arbitrator

Leonard E. Benade
Public Arbitrator

Theodore W. Urban, Esq.
Industry Arbitrator

Date Award Served By the NASD:

August 25, 1995

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

By The Arbitration Panel:

Dated:

8/22/95

Eugene I. Goldman, Esq., Presiding
Public Arbitrator

Leonard E. Benade
Leonard E. Benade
Public Arbitrator

Theodore W. Urban, Esq.
Industry Arbitrator

Date Award Served By the NASD: August 25, 1995

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

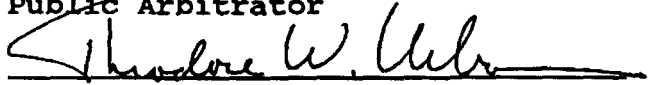
By The Arbitration Panel:

Dated:

Eugene I. Goldman, Esq., Presiding
Public Arbitrator

Leonard E. Benade
Public Arbitrator

8/23/95



Theodore W. Urban, Esq.
Industry Arbitrator

Date Award Served By the NASD: August 25, 1995