

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Ted Singleton and Barry D. Singleton

94-00603

Name of Respondents

Chatfield Dean & Co.,
Gary H. Kimball, and
Jo Kimball.

REPRESENTATION

The Claimants, Ted Singleton ("Ted") and Barry Singleton ("Barry"), were represented by Charles Whitaker of Witt, Gaither & Whitaker, P.C. located in Chattanooga, TN.

The Respondents, Chatfield Dean & Co. ("Chatfield"), Gary Kimball ("Gary") and Jo Kimball ("Jo") and were represented by Christa Taylor in house counsel at Chatfield located in Greenwood Village, CO.

CASE INFORMATION

The Statement of Claim was filed on or about February 17, 1994.

Claimant Barry's Submission Agreement was signed on May 31, 1994.

Claimant Ted's Submission Agreement was signed on May 31, 1994.

The Amended Statement of Claim was filed on or about June 2, 1994.

The Joint Statement of Answer was filed by Respondents, Chatfield, Gary and Jo on or about April 11, 1994.

The Respondents' Answer to the Amended Statement of Claim was filed on or about June 22, 1994.

Respondent, Jo's Submission Agreement was signed on April 12, 1994.

Respondent, Gary's Submission Agreement was signed on April 12, 1994.

Respondent, Chatfield's Submission Agreement was signed by S. Cheryl Bauman Vice - President of Chatfield on March 14, 1994.

HEARING INFORMATION

The Hearing Date was November 9, 1995 for two (2) Sessions.

The Hearing Location was Nashville, TN.

CASE SUMMARY

Claimants, alleged that the Respondents in connection with their handling of Claimants' accounts at Chatfield, engaged in unauthorized trades, conversions and other illegal acts. Specifically, Claimants alleged that Respondents engaged in unauthorized trading (Royal Grip Corporation shares); failed to follow Claimants' instructions (Andrea Electronics Corporation), failed to execute trades, converted Claimants' funds; failed to follow Claimants' instructions (Random Corporation, Detroit Diesel Corporation), failure to deliver customer funds promptly, converted Claimants funds; engaged in unauthorized trading (Comverse Technology Inc); Failed to follow Claimants' instructions (Comverse Technologies Inc), failed to cancel unpaid trade in a timely manner; Failed to supervise, are liable under respondeat superior, and controlling person liability; as contained more fully in the Statement of Claim and the Amended Statement of Claim.

Respondents' denied the allegations in Claimants' Statement of Claim and Amended Statement of Claim and denied that Claimants were entitled to any relief. Respondents alleged that all trades were authorized and that if trading losses occurred they were the direct result of Claimants' actions, and were not caused by Respondents. Respondents also asserted affirmative defenses as follows: Claimants have failed to state a claim which entitle Claimants to relief; the Claim is barred by one or more statute of limitations; waiver, estoppel and laches bar the claim; Claimant has failed to mitigate his damages, if any.

RELIEF REQUESTED

Claimants requested relief as follows: Actual damages in the amount of at least \$55,000.00 which amount should be recovered from all Respondents; Commissions on unauthorized trades made; legal fees and expenses incurred by Claimants; such further general and equitable relief as the panel deems Claimants' entitled.

Respondents denied that Claimants are entitled to any relief. Respondent further stated that Claimants are not entitled to an award of attorneys' fees under Colorado law.

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 originals remain on file with the NASD.

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). That the Respondents are jointly and severally liable for and shall pay to the Claimants compensatory damages in the amount of \$34,034.00.
- (2). That the Respondents are jointly and severally liable for shall pay to Claimants costs in the amount of \$1,695.00;
- (3). That the Respondents are jointly and severally liable for and shall pay to Claimants' attorneys' fees in the amount of \$8,500.00;
- (4). That other than forum fees which are addressed below, any relief not specifically awarded is denied.

FORUM FEES

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

2 sessions X \$500.00 = \$1,000.00 minus hearing session deposit of \$500.00 = net \$500.00 due the NASD.

All Forum fees are assessed against all Respondents, jointly and severally.

Therefore, Respondents shall reimburse the Claimants' for the \$150.00 filing fee and \$500.00 hearing session deposit previously paid by the Claimants (\$650.00 net due the Claimants' for forum fees). The Respondents are liable for and shall pay the remaining \$500.00 in forum fees to the NASD.

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

Concurring Arbitrators' Signatures:

Name:

Date:

/s/ Raymond S. Clift
Raymond S. Clift
Public Arbitrator
Chairperson

4-12-96

/s/ David Minnick
David Minnick
Industry Arbitrator

4/16/96

/s/ Fred Beesley
Fred Beesley
Public Arbitrator

24 April 96

For NASD Use Only

Date of Service on the Parties: April 25, 1996