

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

James Sheehan

94-00735

Name of Respondent

Brian J. Baker

Representation of Parties

Claimant, James Sheehan ("Sheehan") represented himself at the hearing.

Respondent, Brian J. Baker ("Baker") represented himself via telephone conference call.

Case Information

Claimant's Statement of Claim was filed on February 28, 1994. Claimant's Submission Agreement was signed on February 22, 1994.

Respondent's Statement of Answer was filed on June 1, 1994. Respondent's Submission Agreement was signed on May 26, 1994.

Hearing Information

The hearing was held on February 7, 1995 for one (1) session in Minneapolis, Minnesota.

Case Summary

Claimant Sheehan alleged that Respondent Baker sold him shares of stock in Champion Sports, Inc. at seven to nine cents a share when he could have bought the stock at three to four cents a share. Sheehan alleged omission of facts, breach of fiduciary duty, suitability, misrepresentation, dishonest and unethical practice, over-the-counter sale and purchase transaction in corporate securities with public customer at prices which were not fair and reasonable. Sheehan also alleged that Baker never told him that penny stocks involved a great deal of risk.

Respondent Baker stated in his Answer that Sheehan was informed of the risks in penny stocks yet chose to purchase Champion Sports, Inc. Baker also alleged that the price of Champion Sports was listed in the pink sheets at the bid price of 5.5 cents and 7.0 cents, not three to four cents which Sheehan alleged.

Relief Requested

Claimant requested damages in the amount of \$8,662.76.

Respondent requested that the claim be dismissed and denied in its entirety.

Other Issues Considered and Decided

The parties present at the hearing have agreed that the Award in this matter may be executed by 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.

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. Claimant's Statement of Claim is denied and dismissed in its entirety;
2. Each of the parties shall bear their own costs.

Forum Fees

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

one hearing session X \$200.00 = \$200.00 minus \$75 toward hearing session deposit = net \$125 due to the NASD.

Pursuant to Section 43(c) of the Code of Arbitration, the NASD shall retain the nonrefundable filing fee in the amount of \$75, and shall retain the sum deposited toward the hearing session in the amount of \$75 previously paid to the NASD by the Claimant.

The additional forum fees in the amount of \$125 are assessed against Claimant in the sum of \$62.50 and against Respondent in the sum of \$62.50.

The additional forum fees assessed by the arbitrator are payable to the National Association of Securities Dealers, Inc.

By The Arbitration Panel:

Dated:

3/3/95

s/s Arthur L. Sirkin
Arthur L. Sirkin, Esq.
Presiding, Public Arbitrator

Date Award Served By The NASD: 3/6/95