

N.A.S.D. AWARDNATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Robert A. Warfield

NASD Arbitration
No. 94-00852Name of Respondent(s)Chatfield Dean & Co., Inc.
William Emerick, IIIREPRESENTATIONFor Claimant: F. Mike Shaffer, Esq., Gordon, Thomas, Honeywell,
Malanca, Peterson & Daheim, Tacoma, WashingtonFor Respondent Chatfield Dean & Co., Inc.: Christa D. Taylor,
Esq., Chatfield Dean & Co., Inc., Greenwood Village, Colorado

For Respondent William Emerick, III: No Appearance by Mr. Emerick.

CASE INFORMATION

Statement of Claim filed: July 14, 1994

Claimant's Submission Agreement signed: September 5, 1994

Joint Statement of Answer filed by Respondents Chatfield Dean &
Co., Inc. and Sanford D. Greenberg: April 13, 1995Statement of Answer filed by Respondent William Emerick, III:
October 10, 1994

Respondents' Submission Agreements signed as follows:

Chatfield Dean & Co., Inc.: April 13, 1995

William Emerick, III: April 11, 1995

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): February 13, 1996 (two sessions)

Hearing Location: Seattle, Washington

CASE SUMMARY

Claimant alleged that he was damaged by fraudulent mismanagement of his account by his financial consultants, William Emerick, III (Emerick) and Chatfield Dean & Co., Inc. (Chatfield Dean). Claimant further alleged the following causes of action with respect to his investments in Airship International (Airship) stock: 1) violation of Section 10(b) of the Securities Exchange Act of 1934, and of the Securities Exchange Commission Rule 10b-5; 2) violation of the Washington Securities Act; 3) violation of the Washington Consumer Protection Act; 4) Negligence; 5) Breach of Fiduciary Duty; and 6) Negligent Misrepresentations.

Respondents Sanford D. Greenberg (Greenberg) and Chatfield Dean denied Claimant's allegations of wrongdoing and denied that Respondent Emerick made any misrepresentations in connection with the purchase of Airship stock, or that Respondents misrepresented compensation they would receive from transactions. Chatfield Dean further alleged that it has no reason to believe that Mr. Emerick represented Airship in a manner inconsistent with the due diligence materials available to him. Chatfield Dean further alleged that the decision-making responsibility regarding Claimant's investments lay with Claimant, not Respondent Emerick; Claimant had a duty to evaluate Emerick's advice and determine what action to take, if any; and that Claimant, as a reasonable investor, also had an obligation to educate himself about Airship, the nature of the risk and all other aspects of his investments and that Claimant shirked that duty. Chatfield Dean and Greenberg also asserted affirmative defenses.

Respondent Emerick alleged that he never misrepresented himself or the investment products he presented to his clients. Mr. Emerick further alleged that in several inspections completed

by compliance in connection with Mr. Emerick's books, he received recognition for maintaining such books in precise and in good order.

RELIEF REQUESTED

Claimant requested:

1. An award in his favor for rescission or damages relating to his purchase of initial public offering equities underwritten by Chatfield Dean, plus interest from the date of his investments, plus post-judgment interest, plus costs and attorney's fees pursuant to RCW 21.20.430;
2. An award under the federal securities laws of all damages sustained by Claimant, including the return of his entire investment interest, with any lost profits, costs, and attorney's fees, plus any feaseor sales charges wrongfully taken by Chatfield Dean or Mr. Emerick, with prejudgment interest on any such amounts;
3. For damages under the Washington Consumer Protection Act, RCW 19.86.020 et seq., including actual damages, lost profits, treble damages, costs and attorney's fees;
4. For general and special damages sustained by Claimant based on Claimant's allegations of negligence, fraud, and intentional breaches of fiduciary duties by Respondents; and
5. Such other and further favorable relief as the arbitration panel deems just and proper.

Respondent Chatfield Dean requested dismissal of Claimant's claims and requested costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent William Emerick, III did not appear at the hearing in this matter. The panel of arbitrators ruled to proceed in Mr. Emerick's absence following their determination that Mr. Emerick had received proper notice of the hearing.

At the outset of the hearing, the parties advised the panel of arbitrators that Claimant dismissed his claims against Respondent Sanford D. Greenberg.

The parties have agreed that the Award in this matter may be executed in either 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 National Association of Securities Dealers, Inc. (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. Respondents Chatfield Dean & Co., Inc. and William Emerick, III are jointly and severally liable for and shall pay to Claimant the sum of \$12,779.00 in compensatory damages and in satisfaction of Claimant's claims.

2. All other claims, including any claims for interest and treble damages are denied.

3. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain Claimant's hearing session deposit of \$600.00. Forum fees are assessed against Claimant in the amount of \$600.00, calculated as follows: Two hearing sessions times \$600.00/session minus the \$600.00 retained by the NASD.

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

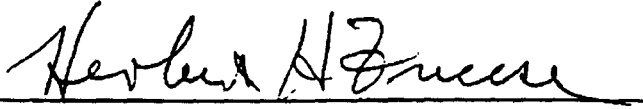
ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
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Herbert H. Freise, Esq.
Elwood C. Avery
James L. Robart, Esq.

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures



Herbert H. Freise, Esq.

Elwood C. Avery

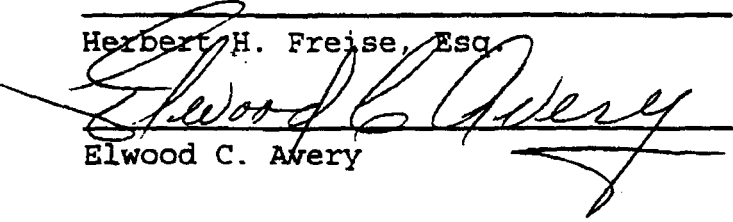
James L. Robart, Esq.

Date of Decision: 3-8-96

Date Served: 3/18/96

Concurring Arbitrators' Signatures

Herbert H. Freise, Esq.



Elwood C. Avery

James L. Robart, Esq.

Date of Decision: _____

Date Served: 3/18/96

Concurring Arbitrators' Signatures

Herbert H. Freise, Esq.

Elwood C. Avery



James L. Robart, Esq.

Date of Decision: March 11, 1996

Date Served: 3/18/96