

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Charles Prindeville

95-00168

Name of Respondents

Tamaron Investments, Inc.
Donald S. Han
Timothy L. Thompson
Charles F. Kirby

REPRESENTATION

Claimant Charles T. Prindeville, III ("Claimant") represented himself.

Respondent Donald S. Han ("Han") represented himself.

Respondent Timothy L. Thompson ("Thompson") did not attend the hearing.

Respondents Tamaron Investment, Inc. ("Tamaron") and Charles Kirby ("Kirby") reached a settlement with Claimant prior to the hearing.

CASE INFORMATION

Statement of Claim filed: January 11, 1995
Amendment One to the Statement of Claim filed: April 25, 1995
Amendment Two to the Statement of Claim filed: July 21, 1995
Amendment Three to the Statement of Claim filed: August 16, 1995
Amendment Four to the Statement of Claim filed: November 14, 1995
Claimant's Submission Agreement signed on: January 6, 1995
Claimant's Amended Submission Agreement signed on: August 12, 1995

Statement of Answer filed by Han on: March 9, 1995
Han's Submission Agreement signed on: March 8, 1995

Statement of Answer filed by Thompson on: March 13, 1995
Thompson's Submission Agreement signed on: March 3, 1995

Statement of Answer filed by Tamaron on: March 7, 1995
Tamaron's Submission Agreement signed on: April 2, 1995

Statement of Answer filed by Kirby on: October 7, 1995
Kirby's Submission Agreement signed on: October 6, 1995

HEARING INFORMATION

Hearing Date/Session: November 14, 1995 - one session
Hearing Location: ANA Hotel, Washington, DC

CASE SUMMARY

Claimant, a public customer, alleged that the Respondents engaged in misrepresentation and securities fraud in violation of SEC Rule 10b-5, on the "Employment of Manipulative and Deceptive Devices," and Article III, Sections 1 and 18 of the NASD Rules of Fair Practice. Claimant also alleged that Respondents Tamaron and Kirby failed to supervise the activities of Respondents Thompson and Han in violation of Article III, Section 27 of the NASD Rules of Fair Practice. Claimant alleged that Respondent Thompson engaged in unauthorized trading, churning, and unsuitable recommendations in violation of Article III, Sections 1, 2(a), and 18 of the NASD Rules of Fair Practice. Claimant alleged that Respondents made material misrepresentation to induce Claimant to purchase Conversion Industries, Inc., Beta Well Service, Inc. and other thinly traded stocks which Tamaron made a market in. Claimant alleged that Respondents Tamaron, Kirby, Han and Thompson had a duty to disclose to Claimant the close ties between Tamaron and the management of the stocks that Respondents induced Claimant to purchase.

Han categorically denied all allegations of wrongdoing asserted by Claimant and specifically maintained that he carefully discussed all investments with Claimant. Han maintained that all information he had on the investments at issue he shared with Claimant. Han denied making any misrepresentation to Claimant. Han maintained that Claimant was happy with his investments when the value of his stocks were rising and that when the market turned suddenly Claimant seeks to shift the blame to respondents. Han maintained that Claimant was in control of his account and that Claimant could have sold his investments at a profit but he held the stocks as they declined in value. Han maintained that he spoke to Claimant numerous times on all aspects of Claimant's investments.

Thompson categorically denied all allegations of wrongdoing. Thompson, in his pleading, stated that in the approximately five telephone conversations he had with Claimant he did speak highly of Conversion Industries ("CVD"). Thompson maintained that based on the information he received CVD had performed very well. Thompson maintained that based on CVD past performance, He had a reasonable basis to recommend CVD to Claimant. Thompson maintained that when it was announced that CVD would be bringing Tamaron public he resigned because of the obvious conflict of interest. Thompson maintained that he never wrote an order ticket for Claimant and that he never received any commissions nor any monetary sum from Tamaron.

Respondents Tamaron and Kirby denied all allegations of wrongdoing asserted by Claimant. Respondents Tamaron and Kirby denied that there was an impermissible conflict of interest between Tamaron and Claimant. Respondent Tamaron admitted that the price of shares of CVD declined during the relevant time frame. Tamaron noted that there were a variety of rumors surrounding the decline in CVD's price. Respondents Tamaron and Kirby maintained that although the value of Claimant's securities declined significantly, there is nothing to suggest that Tamaron and Kirby were responsible for that decline, or should have foreseen it.

RELIEF REQUESTED

Claimant requested \$16,206.81 from Respondents Thompson, Han, Tamaron, and Kirby in compensatory damages; and \$4,000.00 from Respondents Tamaron and Kirby in punitive damages.

Respondents requested that Claimant's claim be dismissed.

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.

During the hearing, Claimant notified the Panel that he had reached an agreement with Respondents Tamaron and Kirby and that all claims against Respondents Tamaron and Kirby had been settled. Therefore, no findings or determinations are made against Respondents Tamaron and Kirby.

Respondent Thompson did not attend the hearing in this matter, although he did submit a submission agreement and Answer. Pursuant to Section 12 of the Code of Arbitration Procedure, although Thompson did not attend the arbitration, he is bound by the rulings and determinations of this Panel.

As Claimant's claim for punitive damages was only against Respondents Tamaron and Kirby, when Claimant settled with these parties, he withdrew his claim for punitive damages.

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 Respondents Han and Thompson are jointly and severally liable to Claimant Charles T. Prindeville, III and shall pay to Claimant the sum of \$3,000; no prejudgment interest is awarded on this amount.
2. That Respondent Thompson is liable to Claimant Charles T. Prindeville, III and shall pay to Claimant the sum of \$6,000; no prejudgment interest is awarded on this amount.
3. That the parties shall bear their respective costs, including attorney's fees.

FORUM FEES

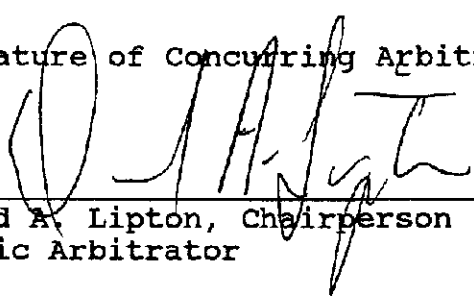
Pursuant to Section 43(c) of the Code of Arbitration Procedure, the forum fees previously filed by Claimant shall be retained.

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

DATE:

Signature of Concurring Arbitrator:

Nov. 28, 1995



David A. Lipton, Chairperson
Public Arbitrator

Patrick Sean Dolan
Public Arbitrator

Wendy Wachtel
Industry Arbitrator

Date of Award Served by the NASD:

November 30, 1995

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