

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Daryl D. Reavis

Claimant

NASD Arbitration
No. 95-01012

v.

Kinlaw Securities Corporation

Joe D. Kinlaw

Dyke Ferrell

Respondents

REPRESENTATION OF PARTIES

Daryl D. Reavis ("**Claimant**") represented himself pro se.

Kinlaw Securities Corporation and Joe D. Kinlaw were represented by Joe Kinlaw who did not appear.

Dyke Ferrell was represented by Stephen T. Johnson, Esq., Mankoff, Hill, Held & Metzger, Dallas, Texas.

CASE INFORMATION

Claimants Statement of Claim was filed on or about February 27, 1995. Claimants Submission Agreement was signed on February 8, 1995.

Respondents Kinlaw Securities Corporation Statement of Answer was filed on or about April 21, 1995. The Submission Agreements for Kinlaw Securities Corporation and Joe Kinlaw were signed on April 18, 1995.

HEARING INFORMATION

The hearing was held on Monday August 12 in Salt Lake City, Utah for a total of 1 session.

CASE SUMMARY

Claimant alleges that Respondents engaged in an unlawful course of conduct in which they knowingly and recklessly made representations and recommendations which acted as fraud upon the Claimant and induced him to purchase investments with having true and complete information. Claimant further alleges that Respondents made misleading statements to the Claimant to cause him to make purchases for the purpose of generating commissions for the Respondents. Claimant also alleges that the Respondents breached their fiduciary duty to him.

Respondents Kinlaw Securities Corporation and Joe Kinlaw deny the allegations set forth in the Statement of Claim. Respondents specifically argue that all risks of participation in the joint ventures were disclosed to the Claimant and that the Claimant signed the application agreement in which the risks were outlined. Respondents denied that Claimant's account had been churned.

RELIEF REQUESTED

Claimant requested an award in the amount of \$76,679.00, plus pre-award and post-award interest, costs and fees. Claimant also requested an unspecified amount of punitive damages.

Respondent requested that the claims asserted against it be denied in its entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondents Kinlaw Securities Corporation and Joe Kinlaw have been properly served with the Statement of Claim pursuant to §13 and §25 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondents Kinlaw Securities Corporation and Joe Kinlaw have received due notice of the hearing as required under §26 of the Code and that arbitration of the matter would proceed pursuant to §29 of the Code.

The Claimant reached a settlement with Dyke Ferrell prior to the hearing.

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 is awarded and Respondents Kinlaw Securities Corporation and Joe Kinlaw, jointly and severally, shall pay to Claimant the sum of \$39,000.00.
2. Claimant's request for interest, costs and fees is denied.
3. Claimant's request for punitive damages is denied.

FORUM FEES

Forum fees are calculated at the rate of \$500 per hearing session and \$300 for each prehearing conference, if any. There was 1 session x \$500 = \$500 in forum fees. Pursuant to §43(b) of the NASD Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less. Pursuant to § 43(c) of the Code of Arbitration Procedure, Respondents Kinlaw Securities Corporation and Joe Kinlaw, jointly and severally, are assessed all forum fees.

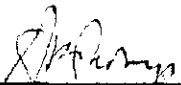
Total Fees	
1 Hearing Sessions @ \$500.00 =	\$500.00
Total	<u>\$500.00</u>
Claimant's share	\$ -0.00-
Claimant's credit for deposit	<u>\$500.00</u>
Claimant's balance < refund >	\$500.00
Respondent's 1/2 share	<u>\$500.00</u>
Respondent's Balance	\$500.00

Pursuant to §43(c) of the Code, the NASD shall **retain** the non-refundable filing fee in the amount of \$150 and shall **refund** the hearing session deposit in the amount of \$500 previously deposited with the NASD by the Claimant Daryl D. Reavis.

Pursuant to §45 of the Code, the NASD shall retain the member surcharge fee in the amount of \$300 previously paid by Kinlaw Securities Corporation..

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

Dated:



A. Robert Thorup, Esq.
Public Arbitrator, Presiding Chair

August 26, 1996

David R. King, Esq.
Public Arbitrator

E.Y. Bennion
Industry Arbitrator

Date Served: 09/03/96