

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Dain Bosworth Incorporated

NASD Arbitration

No. 95-01664

Name of Respondent(s)

Francis D. Balfour
Deep River Holdings, Ltd.

REPRESENTATION

For Claimant: Catherine A. Gnatek, Esq., Dorsey & Whitney,
Minneapolis, Minnesota

For Respondents: No Appearance By Respondents

CASE INFORMATION

Statement of Claim filed: March 31, 1995

Claimant's Submission Agreement signed: March 30, 1995

Respondent Francis D. Balfour did not file a Statement of Answer and Submission Agreement. However, Mr. Balfour was duly served and is subject to National Association of Securities Dealers, Inc. (NASD) jurisdiction in accordance with his Account Agreement with Claimant executed on July 20, 1994 and in accordance with Section 12 of the NASD Code of Arbitration Procedure.

HEARING INFORMATION

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

Hearing Date(s)/Session(s): October 24, 1995 (one session)

Hearing Location: Las Vegas, Nevada

CASE SUMMARY

Claimant Dain Bosworth Incorporated (Dain Bosworth) alleged that Respondent Francis D. Balfour failed to repay Dain Bosworth a debit balance with respect to Respondent's account and that Respondent Balfour breached his obligations under the Account Agreement.

RELIEF REQUESTED

Dain Bosworth requested:

1. Judgment against Respondent Balfour in the amount of \$58,216.17, plus accrued interest thereon calculated in accordance with the provisions of the Account Agreement from February 17, 1995 to the date of the entry of judgment;
2. Costs and expenses, including reasonable attorneys' fees;
3. Ordering Respondent Balfour to deposit 16,250 shares of Stella Bella Corporation stock into Account No. 1101-1315-8177 at Dain Bosworth;
4. Entering a declaratory judgment against Respondent Balfour and Deep River Holdings, Ltd. finding that Respondent Balfour is the true owner of the assets in Account No. 1101-2555-1395;
5. Granting Dain Bosworth the right to liquidate any securities in Account No. 1101-2555-1395 to the extent necessary to cover the debit balance in Account No. 1101-1315-8062 and permitting Dain Bosworth the right to setoff any amounts in Account No. 1101-2555-1395 against the debit balance in Account No. 1101-1315-8062; and
5. Such other and further relief as the panel may deem just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the evidentiary hearing, the panel of arbitrators was advised that Deep River Holdings, Ltd. is not an NASD member and did not voluntarily submit to NASD jurisdiction.

On or about October 19, 1995, the panel of arbitrators

reviewed and considered Claimant's Motion for Entry of Award together with Claimant's supporting affidavits and exhibits. The panel denied Claimant's Motion.

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 NASD.

The panel of arbitrators reviewed and considered Francis D. Balfour's correspondence of November 2, 1995 and December 1, 1995 and Catherine A. Gnatek's correspondence of November 17, 1995 regarding Mr. Balfour's statement that he was refused entry into the United States and was unable to appear at the hearing in this matter. The panel determined that Mr. Balfour had received proper notice of the hearing in this matter and further determined not to permit any further delay with respect to the issuance of the panel's decision in this matter.

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. Respondent Francis D. Balfour is liable for and shall pay to Claimant Dain Bosworth Incorporated the sum of \$58,156.15, in satisfaction of Claimant's claims.
2. 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 the \$600.00 hearing session deposit previously deposited by the Claimant as costs of this proceeding.

ARBITRATORS

Name Public / Industry

Merton A. Bobo, Esq.

Public Arbitrator

M. Nelson Segel, Esq.

Public Arbitrator

Harvey M. Hudgins

Industry Arbitrator

Concurring Arbitrators' Signatures

Merton A. Bobo, Esq.

M. Nelson Segel, Esq.

Harvey M. Hudgins

Date of Decision: 12/15/90

Date Served: 01/17/96