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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Ruby Garlic

95-04031

Name of Respondent

Dougherty, Dawkins, Strand & Bigelow, Inc.

REPRESENTATION

For Claimant: Joel A. Goodman, Esq. of the law firm of Goodman & Nekvasil, P.A., Safety Harbor, Florida.

For Respondent: Joseph Anthony, Esq. of the law firm of Fruth & Anthony, P.A., Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed: August 21, 1995.

Claimant's Submission Agreement signed on: July 21, 1995.

Statement of Answer filed by Respondent on: November 6, 1995.

Respondent's Submission Agreement signed on: November 2, 1995.

HEARING INFORMATION

One pre-hearing conference was conducted with the arbitration panel on January 21, 1997 and one pre-hearing conference was conducted with the Chairperson on June 12, 1997. In addition, eight hearing sessions were conducted in this matter on July 14, 15, 16 and 17, 1997 in Tampa, Florida.

CASE SUMMARY

Claimant asserted that Respondent made unsuitable investment recommendations and numerous false representations with regard to high-risk, speculative limited partnerships, including, inter

alia, Datronic Equipment Income Fund 17, 18, and 19. Claimant alleged her case was supported by Mr. Douglas Schulz, her securities expert, with particular regard to (1) Respondent's inaccurate portrayal that these limited partnerships were conservative, safe investments that would generate distributions in the form of income; (2) Respondent's failure to disclose certain material facts; and, (3) Respondent's failure to supervise and to perform an adequate due diligence investigation of these limited partnerships. Claimant alleged that she introduced evidence that Respondent failed to establish an adequate system of supervision whereby the firm could determine the concentration of limited partnerships in a customer's account and to implement procedures to ensure its stockbrokers fully "knew" the investments they recommended and did not misrepresent the essential facts concerning those investments. Claimant further contended that Claimant's case was further supported by the proposition that the mere providing of a prospectus to investors does not alter a stockbroker's liability for violation of industry rules and regulations governing the conduct of Respondent and its agents.

Respondent denied each and every allegation made by Claimant. Respondent maintained that it had made suitable investment recommendations, Claimant was knowledgeable and competent and was fully advised of the risks involved in the investments utilized in connection with her accounts. Respondent further asserted that certain of Claimant's claims were time barred and that others were improperly brought against Dougherty, Dawkins, Strand & Bigelow, Inc. as opposed to the broker-dealer with which the account representative worked when the initial investments were sold to Claimant. Respondent also maintained that the cause of any loss sustained by Claimant was due to actions of third parties unrelated to Dougherty, Dawkins, Strand & Bigelow, Inc.

RELIEF REQUESTED

Claimant requested damages in the sum of at least \$210,000.00, interest thereon, plus attorney's fees and costs, all of which Claimant agreed the arbitrators were empowered to award, and such other relief as was deemed proper and necessary.

Respondent requested judgment dismissing the Statement of Claim, with prejudice, and awarding Respondent its costs and disbursements, including attorneys' fees, together with such other and further relief as the panel deemed just and proper.

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 original(s) remain on file with NASD Regulation, Inc.

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:

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1. The Respondent is liable and shall pay to the Claimant the sum of \$122,000.00, inclusive of pre-judgment interest.
2. The Respondent is liable and shall pay to the Claimant her attorneys' fees in the sum of \$50,000.00 pursuant to the case law cited in Claimant's Petition and Memorandum for Attorneys' Fees.
3. The Respondent is liable and shall pay to the Claimant the sum of \$7,500.00 representing reimbursement of her costs.
4. The Respondent's requests for costs and disbursements, including attorneys' fees, are denied.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration Procedure, forum fees in the sum of \$7,050.00 (one pre-hearing conference-panel \$750.00 plus one pre-hearing conference-Chairperson \$300.00 plus 8 hearing sessions x \$750.00) are assessed as follows:

Claimant is assessed the sum of \$3,525.00 for which NASD Regulation, Inc. shall retain the sum of \$750.00 previously deposited in partial satisfaction thereof leaving a balance due in the sum of \$2,775.00.

Respondent is assessed the sum of \$3,525.00.

RELIEF REQUESTED
Fees are payable to National Association of Securities Dealers Regulation, Inc.

Concurring Arbitrators' Signatures:

Name

Public/Industry

James A. Cormack

Public

/S/

Richard J. Fuller

Public

/S/

Richard L. Akin

Industry

Date of Decision: August 26, 1997