

**AWARD**  
**NASD Regulation, Inc.**

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In the matter of the Arbitration Between

Name of Claimant(s)

Robert Parker  
La Deane Parker

Arbitration  
No. 96-02131

Name of Respondent(s)

Annandale Securities, Inc.  
Bruce G. Clark  
Michael M. Markow

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**REPRESENTATION**

For Claimants: Timothy A. Canning, Esq., The Sapiro Law Firm,  
San Francisco, California

For Respondent Annandale Securities, Inc.: Mark Anderson,  
Annandale Securities, Inc., Los Angeles, California

For Respondent Bruce G. Clark: Bruce G. Clark, Long Beach,  
California

For Respondent Michael M. Markow: Michael R. Matthias, Matthias  
& Berg LLP, Los Angeles, California

**CASE INFORMATION**

Statement of Claim filed: May 14, 1996

Claimants' Submission Agreement signed: May 2, 1996

Motion to Dismiss filed by Respondent Michael M. Markow: May 20,  
1997

Motion to Dismiss and Statement of Answer filed by Respondent  
Michael M. Markow: September 10, 1997

Respondent Michael M. Markow signed a Submission Agreement before  
the panel of arbitrators during the evidentiary hearing.

Respondents Annandale Securities, Inc. and Bruce G. Clark did not file a Statement of Answer or Submission Agreement. However, said Respondents are subject to NASD Regulation, Inc. (NASD) jurisdiction in accordance with Rule 10301 of the NASD Code of Arbitration Procedure.

#### **HEARING INFORMATION**

Pre-Hearing Conference Date(s)/Session(s):  
April 29, 1997 (one session)

Hearing Date(s)/Session(s): January 26, 1998 (one session)  
March 16, 1999 (two sessions)  
March 17, 1999 (two sessions)

Hearing Location: San Francisco, California

#### **CASE SUMMARY**

Claimants alleged that in 1994, Respondents induced Claimants to invest \$350,000.00 in debt and equity issues of Integrated Holdings International (IHI), a private company. Claimants further alleged that Respondents failed to adequately investigate IHI and its principals; or had material information about IHI, its business and prospects but withheld that information from Claimants. Claimants further alleged that the representations made to Claimants by Respondents were false and misleading and were intended to induce Claimants to make these investments.

Respondent Michael M. Markow alleged that the NASD does not have jurisdiction over him with respect to the above-captioned dispute. Respondent Markow denied Claimants' allegations and further alleged that Claimants were not damaged by any act or inaction of Respondent Markow. Respondent Markow also asserted affirmative defenses.

#### **RELIEF REQUESTED**

Claimants alleged that they have been damaged in the amount of \$350,000.00 and requested an award in that amount, together with interest at the legal rate, from the dates of the investments through the date of payment of the award, together with the costs of this action including the reasonable costs of representation.

Respondent Markow requested that Claimants take nothing by virtue of their Claim and requested dismissal of Claimants' claims.

#### OTHER ISSUES CONSIDERED AND DECIDED

Respondents Annandale Securities, Inc. and Bruce G. Clark did not appear at hearing. The panel of arbitrators determined that said Respondents received proper service and notice and ruled to proceed in their absence.

At hearing, the panel of arbitrators acknowledged the bankruptcy filings by Michael Grossman and Mark Anderson and further acknowledged that the above-captioned matter is stayed with respect to said Respondents.

The parties present at hearing 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 present at hearing agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

#### AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post-hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. At hearing, the panel of arbitrators denied the Motion to Dismiss by Respondent Michael M. Markow.

2. Respondents Annandale Securities, Inc. and Bruce G. Clark are jointly and severally liable for and shall pay to Claimants the sum of \$250,000.00.

3. Respondents Annandale Securities, Inc., Bruce G. Clark and Michael M. Markow are jointly and severally liable for and shall pay to Claimants the sum of \$70,000.00.

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

#### FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed: Forum fees shall be split between Claimants and Respondents Annandale Securities, Inc., Bruce G. Clark and Michael M. Markow (Respondents) and are calculated as follows:

One pre-hearing session @ \$1,000.00/session	=	\$1,000.00
Five hearing sessions @ \$1,000.00/session	=	<u>\$5,000.00</u>
Total fees assessed	=	\$6,000.00
 Claimants' share (50%)	=	\$3,000.00
Credit for hearing deposit	=	\$1,000.00
Balance due	=	\$2,000.00
 Respondents' share (50%)	=	\$3,000.00
Credit for hearing deposit	=	\$1,000.00
Balance due	=	\$2,000.00

Fees are payable to NASD Regulation, Inc.

#### OTHER FEES

Pursuant to Rule 10319 of the Code of Arbitration Procedure, the panel of arbitrators waived the postponement fee in connection with the postponement of the hearing sessions scheduled to take place September 22-26, 1997.

#### ARBITRATORS

<u>Name</u> .....	<u>Public / Industry</u>
Helen B. Culiner, Esq.	Public Arbitrator
Laurel Littman Gothelf, MPH	Public Arbitrator
Allan B. Currie	Industry Arbitrator

#### Concurring Arbitrators' Signatures

Helen B. Culiner  
Helen B. Culiner, Esq.

\_\_\_\_\_  
Laurel Littman Gothelf, MPH

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Allan B. Currie

Date Served:

**MAY 3 1999**

Date of Decision: 4-26-99

One pre-hearing session @ \$1,000.00/session	=	\$1,000.00
Five hearing sessions @ \$1,000.00/session	=	<u>\$5,000.00</u>
Total fees assessed	=	\$6,000.00
Claimants' share (50%)	=	\$3,000.00
Credit for hearing deposit	=	\$1,000.00
Balance due	=	\$2,000.00
Respondents' share (50%)	=	\$3,000.00
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*Laurel Littman Gothelf MPH*

Laurel Littman Gothelf, MPH

Allan B. Currie

Date Served:

**MAY 3 1999**

Date of Decision: 4-22-99

One pre-hearing session @ \$1,000.00/session	=	\$1,000.00
Five hearing sessions @ \$1,000.00/session	=	<u>\$5,000.00</u>
Total fees assessed	=	\$6,000.00

Claimants' share (50%)	=	\$3,000.00
Credit for hearing deposit	=	\$1,000.00
Balance due	=	\$2,000.00

Respondents' share (50%)	=	\$3,000.00
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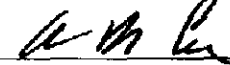
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