

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant

DBK-Pinnacle, Inc.

v.

NASD Arbitration
No.96-02161

Name of Respondents

La Jolla Capital Corporation and Harold Bailey "B.J." Gallison, Jr.

v.

Name of Third-Party Respondent

Raymond P. Dowd

REPRESENTATION

For Claimant:

John C. Bray, Esq.
DBK-Pinnacle, Inc.
Marina Del Rey, California

For Respondents:

James C. Weaver, Esq.
La Jolla, California

For Third-Party Respondent Raymond P. Dowd:

Raymond P. Dowd
DBK-Pinnacle, Inc.
Marina Del Rey, California

CASE INFORMATION

Statement of Claim filed:

May 20, 1996

Claimant's Submission Agreement signed:

June 4, 1996

Joint Statement of Answer filed by Respondent:

July 8, 1996

Third-Party Claim of La Jolla Capital Corporation filed: July 19, 1996

Answer to Third-Party Claimant
La Jolla Capital Corporation filed: July 29, 1996

Response to Raymond P. Dowd
Answer to Third-Party Claim filed: August 6, 1996

Response to La Jolla Capital Corporation
Response to Ray Dowd Answer to Third-Party Claim
and Additional Answer to Third-Party Claim and
Special Notice to Arbitrator of Violation of NASD Rules
of Fair Practice Article III, Section 50 (c)
By La Jolla Capital Corporation filed: August 29, 1996

Response of Claimant DBK-Pinnacle, Inc. to
Supplemental Response of Respondent to /
Third-Party Claimant La Jolla Capital Corporation filed: October 4, 1996

Respondents' Submission Agreement signed: June 6, 1996

Third-Party Respondent Raymond P. Dowd's
Submission Agreement signed: July 29, 1996

HEARING INFORMATION

The matter was determined on the written submissions of the parties.

CASE SUMMARY

Claimant alleged that Respondents accepted a short sale order for 500 shares of Netcom without first making an affirmative determination that they could borrow the security to accommodate the short sale.

Respondents denied the allegations of wrongdoing found in the Claimant's Statement of Claim.

Respondent La Jolla Capital Corporation filed a Third-Party Claim against Raymond P. Dowd, alleging that Dowd breached his agreement with La Jolla Capital Corporation.

Third-Party Respondent Dowd contended that La Jolla Capital Corporation's Third Party Claim failed to state facts sufficient to state a cause of action against Third-Party Respondent Raymond P. Dowd.

RELIEF REQUESTED

Claimant requested compensatory damages of 9,999.00.

Respondents requested that Claimant recover nothing. Respondents further requested an award of costs of defending the action, including attorney's fees.

Respondent La Jolla Capital Corporation requested that Third-Party Respondent Dowd indemnify La Jolla Capital Corporation for any award given to Claimant to the sum of \$ 9,999.00.

Claimant DBK-Pinnacle, Inc. and Third-Party Respondent Raymond P. Dowd requested that Respondent La Jolla Capital Corporation not be indemnified for any award given to Claimant. Claimant DBK-Pinnacle, Inc. and Third-Party Respondent Raymond P. Dowd further requested that Respondent's request for a formal hearing be denied, and that its Third-Party Claim be dismissed.

Alternatively, Claimant DBK-Pinnacle and Third-Party Respondent Raymond P. Dowd requested that Claimant DBK-Pinnacle recover the entire amount of their claim, including costs of bringing the action, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

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 original remains on file with the NASD.

AWARD

After considering the written submissions of the parties, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All of the Claimant's claims are denied in their entirety.
2. All of Respondent La Jolla Capital Corporation's claims are denied in their entirety.
3. 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 against Claimant:

One Simplified Case Hearing Session fee of \$75.00	=	\$75.00
<u>Credit for Hearing Session Deposit</u>	=	<u>\$75.00</u>
Claimant's Balance due	=	\$00.00


Respondent La Jolla Capital Corporation's Hearing Session Deposit of \$300.00 will be refunded by the NASD.

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

ARBITRATOR

<u>Name</u>	<u>Public / Industry</u>
Lambert Javelera	Public Arbitrator

Arbitrator's Signature


Lambert Javelera

Date of Decision: _____

Date of Service: _____