

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Paulson Investment Company Inc.

96-02762

Name of Respondent

Michael Grayson

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on June 27, 1996, claimant Paulson Investment Company, Inc. ("claimant"), who appeared through its representative, Gary M. Berne, Esq., of the law firm of Stoll Berne Lokting & Shlachter, P.C., located in Portland, Oregon, alleged that respondent Michael Grayson ("respondent") was formerly a stockbroker with it and registered with the NASD as an associate person. Claimant further alleged that upon cessation of his employment with it, respondent owed it \$3,815.67 from: 1) \$2,875.00 in advancements; 2) \$584.53 in advances and miscellaneous charges; 3) \$324.50 for registration fees and termination fee; 4) \$31.64 owed by his prior employment with it. Claimant also alleged that as a result of the above, it has suffered a loss for which the respondent should be held liable.

Respondent Michael Grayson did not file a Statement of Answer to the Statement of Claim.

**RELIEF REQUESTED**

Claimant Paulson Investment Company, Inc. requested \$3,815.67 in actual damages plus interest, attorneys' fees and costs.

Respondent Michael Grayson did not file a Statement of Answer to the Statement of Claim.

**OTHER ISSUES CONSIDERED AND DECIDED**

Pursuant to Section 10203 of the NASD Code of Arbitration Procedure, respondent Michael Grayson was sent the Statement of Claim via regular mail and was given an opportunity to respond which he failed to do. In addition, an overdue answer notice and notice of the identity of the arbitrator were sent via certified mail and the signed return receipt cards are on file with the NASD.

Pursuant to the by-laws of the NASD, the arbitrator determined that respondent Michael Grayson had notice of the claim, and was required to submit to this arbitration proceeding; and is, therefore, bound by the arbitrator's ruling and determination.

**AWARD**

Pursuant to Section 10203 of the NASD, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Lee Smith, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant in June of 1996, and not by respondent as is required by Sections 10201 and 10203 of the NASD Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Michael Grayson is liable and shall pay to claimant Paulson Investment Company, Inc. \$3,815.67 in actual damages.
2. Respondent Michael Grayson is liable and shall pay to claimant Paulson Investment Company, Inc. interest at the rate of 2 % from June 1, 1996 to the date of the award.
3. Respondent Michael Grayson is liable and shall pay to claimant Paulson Investment Company, Inc. \$500.00 as reimbursement of attorneys' fees pursuant to the association agreement.
4. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Michael Grayson is liable and shall pay to the claimant Paulson Investment Company, Inc. \$575.00 as reimbursement of the filing fee.
5. The parties shall bear their respective costs.

**AFFIRMATION**

I, Lee Smith, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

A handwritten signature in cursive script, appearing to read "Lee Smith", is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: December 19, 1996