



RECEIVED

MAY 22 1990

M.S.R.B.

In the Matter of the Arbitration between :  
:  
ROBERT HENDRICKSON, :  
:  
v. Claimant, :  
:  
ANDERSON, BRYANT & COMPANY, :  
Respondent. :  
:

AWARD

MS 89-79

The Undersigned, pursuant to section 31 of MSRB rule G-35, hereby state as follows:

#### CASE SUMMARY

Claimant alleged that, on three occasions (10/31/88; 1/30/89; 4/6/89), Respondent, through its agent, by material misrepresentation and concealment of facts, induced Claimant to purchase bonds of First Humanics Corporation in the face amount of \$25,000. In addition, Claimant alleged that, on 2/24/89, Respondent, through its agent, by misrepresentation of material facts, induced Claimant to purchase bonds of a Moraine, Ohio nursing home in the face amount of \$10,000. Claimant contended that Respondent knew or should have known that the aforementioned First Humanics Corp. bonds were in default and had been for a considerable period of time, yet failed to inform him of these defaults while urging him to buy the bonds.

Respondent failed to appear at the hearing but argued in its pleadings that Claimant is a sophisticated investor who knew the risks of his investments and who acted as an investment advisor for at least four other individuals, including his sister-in-law. Respondent argued, in this regard, that Claimant's immediate family had maintained an investment relationship with Respondent's agent for over five years and had never complained about investment advice or services provided by Respondent's agent. Respondent also denied that it induced Claimant to purchase the First Humanics Corp. bonds, arguing that Claimant purchased said bonds for his own account on an unsolicited basis and, on two occasions, after turning down Respondent's suggestion that the bonds be purchased for his sister-in-law's account. In addition, Respondent contended that prior to First Humanics Corp.'s declared bankruptcy, on 9/13/89, officials of First Humanics Corp. continually reassured investors, brokerage firms and the financial community that interest payments on the bonds would be made. Respondent also argued that the Moraine, Ohio bonds have never missed an interest payment and are performing exactly as intended.

### RELIEF REQUESTED

Claimant requested rescission of the purchase of the First Humanics Corp. bonds and the Moraine, Ohio bonds and the return of \$32,850, plus interest, costs, attorney's fees and his \$400 arbitration deposit. Respondent requested that Claimant's claim be denied and counterclaimed for its costs, expenses and attorney's fees.

### AWARD

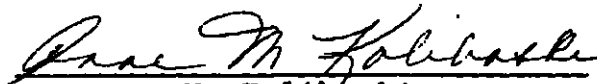
On May 15, 1990, in Cleveland, Ohio, the undersigned arbitrators heard the controversy between the parties set forth in submissions to the arbitrators signed by Claimant on August 22, 1989 (filed with the MSRB on September 7, 1989) and by Respondent on December 22, 1989. The arbitration panel, having considered the pleadings, the testimony and the evidence presented at the hearing, has determined, in full and final resolution of the issues submitted for determination, that the claims of the Claimant are dismissed in their entirety, and the counterclaims of the Respondent are dismissed in their entirety.



Richard H. Haas



Walter R. Chambers



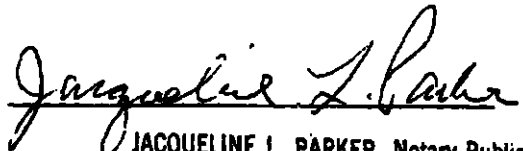
Anne M. Koliboski

Dated: 5-21-90

STATE OF OHIO  
COUNTY OF SUMMIT

ss.:

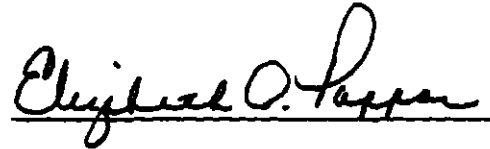
On this 16<sup>th</sup> day of May, 1990, before me personally appeared \_\_\_\_\_ to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

  
JACQUELINE L. PARKER, Notary Public  
STATE OF OHIO  
Resident Summit County  
My Commission Expires Feb. 26, 1991

STATE OF Ohio  
COUNTY OF Franklin

ss.:


On this 17<sup>th</sup> day of May, 1990, before me personally appeared \_\_\_\_\_ to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

  
ELIZABETH A. PAPPAS  
NOTARY PUBLIC - STATE OF OHIO  
MY COMMISSION EXPIRES MAR. 30, 1995

STATE OF Ohio  
COUNTY OF Butler

ss.:

On this 21<sup>st</sup> day of May, 1990, before me personally appeared \_\_\_\_\_ to me known and known to me to be the individual described in and who executed the foregoing instrument and she duly acknowledged to me that she executed the same.

  
DONNA PARSHALL  
Notary Public  
My Commission Expires Feb. 7, 1994