

**STIPULATED AWARD  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Name of Claimant

John Prassas Living Trust, John and Dorothy Prassas and Gail Carey,  
TTEES

and

02-06859  
Chicago, Illinois

Name of Respondents

Waterstone Financial Group Inc.  
Denzil Alan Locke  
Locke Financial Services, Inc.

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Nature of the Dispute: Customer vs. Member; Associated Person; and Non-Member.

**REPRESENTATION OF PARTIES**

John Prassas Living Trust, John and Dorothy Prassas and Gail Carey, TTEES ("**Claimant**") was represented by Kathleen H. Gorr, Esq., Winfield, Illinois.

Waterstone Financial Group Inc. ("**Respondent Waterstone**"), Denzil Alan Locke ("**Respondent Locke**") and Locke Financial Services, Inc. ("**Respondent LFS**") (collectively as "**Respondents**") were represented by David A. Baugh, Esq., Mora Baugh Waitzman & Unger, LLC, Chicago, Illinois.

**CASE INFORMATION**

The Statement of Claim was filed on or about November 7, 2002. Submission Agreement of Claimant John Prassas Living Trust, John and Dorothy Prassas and Gail Carey, TTEES was signed on October 30, 2002.

Statement of Answer was filed by Respondents Waterstone Financial Group Inc., Denzil Alan Locke and Locke Financial Services, Inc. on or about March 3, 2003. Submission Agreement of Respondent Waterstone Financial Group Inc. was signed on June 30, 2003. Submission Agreement of Respondent Denzil Alan Locke was signed on June 30, 2003. Submission Agreement of Respondent Locke Financial Services, Inc. was signed on February 22, 2003.

### **CASE SUMMARY**

Claimant alleged that the investments made by respondents were unsuitable and that Claimants' portfolio declined in value as a result.

Respondents stated that the investments made on Claimants' behalf were made in accordance with Respondents' [sic] instructions and were appropriate given their stated investment goals and objectives.

### **RELIEF REQUESTED**

Claimant sought monetary damages in the amount of \$100,000.00.

Respondents requested that the Statement of Claim be denied in its entirety and the claims be expunged from the CRD records of Respondents.

### **OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

### **AWARD**

After considering the pleadings and the stipulation of the parties, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination and find as follows:

1. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Denzil Alan Locke's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Denzil Alan Locke must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$225.00

#### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Waterstone Financial Group Inc.

Member surcharge	\$	1,100.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	1,700.00
Total Member Fees	\$	3,550.00

#### **Forum Fees and Assessments**

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

2	Pre-hearing session(s) with Panel	x	750.00	\$	1,500.00
	June 18, 2003	1	session		
	July 17, 2003	1	session		
6	Hearing sessions	x	750.00	\$	4,500.00
	October 28, 2003	2	sessions		
	October 29, 2003	2	sessions		
	October 30, 2003	2	sessions		
	Total Forum Fees			\$	6,000.00

Pursuant to the agreement of the parties, the Arbitration Panel has assessed \$6,000.00 of the forum fees to jointly and severally to Waterstone Financial Group Inc., Denzil Alan Locke and Locke Financial Services, Inc.

**Fee Summary**

Claimant, John Prassas Living Trust, John and Dorothy Prassas and Gail Carey, TTEES, shall be and hereby is liable for:

Initial Filing Fee	= \$	0.00
Total Fees	= \$	0.00
<u>Less payments</u>	= \$	-975.00
Balance to be refunded by NASD Dispute Resolution	= \$	975.00

Respondent, Waterstone Financial Group Inc., shall be and hereby is liable for:

Member Fees	= \$	3,550.00
<u>Forum Fees</u>	= \$	0.00
Total Fees	= \$	3,550.00
<u>Less payments</u>	= \$	-3,550.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, Waterstone Financial Group Inc., Denzil Alan Locke, and Locke Financial Services, Inc., shall be and hereby are jointly and severally liable for:

Filing Fee (pursuant to Stipulation of the parties)	= \$	225.00
<u>Forum Fees</u>	= \$	6,000.00
Total Fees	= \$	6,225.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	6,225.00

**All balances are due to NASD Dispute Resolution**

**ARBITRATION PANEL**

David G. Duggan, Esq. - Public Arbitrator, Presiding Chair  
Martha B. Olson - Public Arbitrator  
Ramona V. Larson - Non-Public Arbitrator

Concurring Arbitrators:

/s/ David G. Duggan

David G. Duggan, Esq.  
Public Arbitrator, Presiding Chair

August 5, 2004

Signature Date

/s/ Martha B. Olson

Martha B. Olson  
Public Arbitrator

August 5, 2004

Signature Date

/s/ Ramona V. Larson

Ramona V. Larson  
Non-Public Arbitrator

August 10, 2004

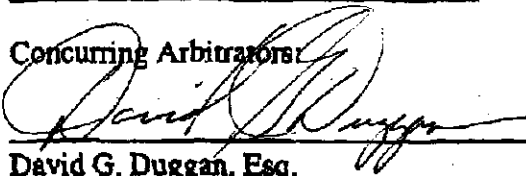
Signature Date

8/13/04  
Date of Service (For NASD office use only)

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Arbitration No. 02-06859  
Stipulated Award Page 5 of 5

DISPUTE RESOLUTION  
**RECEIVED**  
AUG 09 2004

Concurring Arbitrators:



David G. Duggan, Esq.  
Public Arbitrator, Presiding Chair

8/5/04  
Signature Date

Martha B. Olson  
Public Arbitrator

Signature Date

Ramona V. Larson  
Non-Public Arbitrator

Signature Date

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Arbitration No. 02-06859  
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**Concurring Arbitrators:**

David G. Duggan, Esq.  
Public Arbitrator, Presiding Chair

Martha B. Olson  
Martha B. Olson  
Public Arbitrator

Ramona V. Larson  
Non-Public Arbitrator

Signature Date

Aug 5, 2004  
Signature Date

Signature Date

NASD Dispute Resolution  
Arbitration No. 02-06859  
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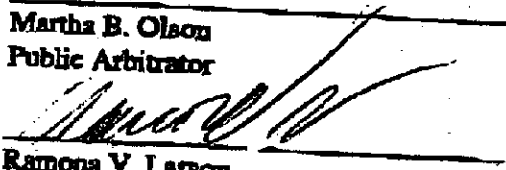
Concurring Arbitrators:

David G. Duggan, Esq.  
Public Arbitrator, Presiding Chair

Signature Date

Martha B. Olson  
Public Arbitrator

Signature Date

  
Ramona V. Larson  
Non-Public Arbitrator

8/10/04  
Signature Date