

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
Suite 1680
Three First National Plaza
Chicago, IL 60602
(312) 899-4440

In the Matter of the Arbitration Between

Name of Claimant(s)

Penelope Merriett, Lillian Huff
Clifford and Fern Shriver

88-03625

Name of Respondent(s)

R. Bruce Jahnke and Associates, Inc.
and R. Bruce Jahnke

COPY

CASE SUMMARY

In a claim filed with the NASD on or about April 28, 1989 Penelope Merriett, Lillian Huff, Clifford Shriver and Fern Shriver (collectively "Claimants") alleged that R. Bruce Jahnke and R. Bruce Jahnke and Associates, Inc. (collectively "Respondents") induced Claimants into purchasing limited partnership interests by intentionally and or negligently misrepresenting material facts in connection with the security and the risks attendant to such security. Further, Claimants asserted that the Respondents failed to meet the standard of care in the securities industry and perform faithfully and diligently the services a reasonably careful broker would have in similar circumstances.

In an answer filed with the NASD on or about November 7, 1989 Respondents denied all allegations of wrongdoing contained in the Statement of Claim and affirmatively asserted that: Claimants' claims are barred due to their failure to mitigate damages; Claimants' claims are barred by Claimants' lack of justifiable reliance, lack of damages and Claimants' delay in seeking relief. Respondents asserted that they exercised the due diligence and reasonable care expected of a registered representative in the securities industry.

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Arbitration

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RELIEF REQUESTED

Claimant requested damages in the amount of \$750,000.00, exemplary damages and costs.

PROCEDURAL SUMMARY

Respondent R. Bruce Jahnke, individually, and on behalf of R. Bruce Jahnke and Associates, Inc. moved to dismiss the Claimants case prior to the presentation of evidence at the hearing on November 8, 1990 which was reviewed and denied by the Arbitration Panel.

AWARD

On November 8, 1990 and December 13, 1990 in Denver, Colorado during a hearing lasting a total of four (4) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on September 6, 1988 by Claimant Penelope Merriett, on September 30, 1988 by Lillian Huff, on September 19, 1988 by Clifford and Fern Shriver, and on November 3, 1989 by R. Bruce Jahnke.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have agreed that the Award in this matter may be executed in 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 originals remain on file with the NASD, Inc.;
2. The Claimants' claims as asserted against the Respondents are denied in their entirety;
3. The counterclaims as asserted against the Claimants are denied in their entirety;
4. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding; and

Arbitration

5. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the hearing session deposit in the amount of \$750.00 previously deposited with the NASD by the Claimant. Respondent R. Bruce Jahnke and R. Bruce Jahnke and Associates Inc. are hereby assessed additional forum fees in the amount of \$750.00.

By the Panel

Dated: 12/28/90 /s/ [Signature]

Dated: _____ /s/ _____

Dated: _____ /s/ _____

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NASD

Arbitration

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and

R. Bruce Jahnke and R. Bruce Jahnke and
Associates, Inc.

DISCIPLINARY REFERRAL

During the course of the hearing of the above captioned arbitration hearing, the undersigned arbitrators heard testimony and evidence and unanimously determined to call to the attention of the NASD, for investigation or such other action it may deem necessary, that Mr. R. Bruce Jahnke appears misleadingly to hold himself out having adequate background and experience to perform various services for customers. The undersigned arbitrators feel that the District office of the NASD should investigate the matter to determine whether there is a misrepresentation of the services that may be performed by R. Bruce Jahnke, individually, and as R. Bruce Jahnke and Associates, Inc..