

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between )

ALEX AND MAURINE SOKOL )

Claimants )

and )

BLUNT ELLIS & LOEWI, INCORPORATED;  
RODGER D. PARKER; AND ROGER L. WILKIE )

Respondents )

CASE NO. 89-02372

CASE SUMMARY

In a claim filed with the NASD on or about August 23, 1989 and an amendment to the claim filed with the NASD on or about March 7, 1990, Claimants Alex and Maurine Sokol ("Claimants") alleged that Respondents Blunt Ellis & Loewi, Incorporated ("BEL"), Rodger D. Parker ("Parker") and Roger L. Wilkie ("Wilkie") (collectively as "Respondents") violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10(b)5 promulgated thereunder, the federal RICO Statute, the Securities Act of the State of Missouri and the common law of the State of Missouri. Claimants specifically alleged that Respondent Parker made unsuitable recommendations to purchase limited partnership units, mutual funds, stock and options; made unauthorized transactions; churned the account and switched mutual funds in an effort to receive sales bonuses, including free trips.

In their joint answer filed with the NASD on or about October 23, 1989 and their Response to Amended Statement of Claim filed with the NASD on or about April 16, 1990, Respondents denied the allegations made by Claimants. Respondents specifically stated that the investment recommendations were appropriate in light of claimants' circumstances, objectives and desires; that Mr. Parker did not have or exercise discretion in Claimants' account; that Mr. Parker discussed all transactions with one or both of the claimants and received their approval prior to execution; and that the losses incurred were the result of any risks inherent in the investments, the unpredictability of market conditions, including the market crash of October, 1987.

### RELIEF REQUESTED

Claimants requested an award in the amount of \$432,545.00, interest, unspecified punitive damages, costs and expenses in the original Statement of Claim. In the Amended Statement of Claim claimants requested an award of unspecified compensatory damages, unspecified punitive damages, interest, costs and expenses, and RICO damages.

Respondents requested that the Statement of Claim and Amended Statement of Claim be dismissed.

### AWARD

On June 11, 12, 21, and 22, 1990 and July 6, 7, and 8, 1990 during a hearing lasting sixteen (16) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on August 14, 1989 by Claimants Alex and Maurine Sokol, on October 20, 1989 by Donald H. Zurliene, Jr. on behalf of Respondent Blunt Ellis & Loewi, Inc., on October 24, 1989 by Respondent Rodger D. Parker, and on October 24, 1989 by Respondent Roger L. Wilkie. The hearing was held in Kansas City, Missouri.

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. BEL and Parker are jointly and severally liable for and shall pay to the Claimants Two Hundred Thirty Four Thousand Dollars and no cents (\$234,000.00). Further, Roger Wilkie shall be jointly and severally liable for Twenty-Five Thousand Dollars (\$25,000.00) of the Two Hundred and Thirty-Four Thousand Dollar amount.

2. The Claimants shall transfer and assign to the Respondents all of their interest in Amrecorp Realty, PLM Tep VII B, Kemper/Cymrot A, and Kemper/Cymrot B.

3. Parker shall be liable for and shall pay to the Claimants Sixty Five Thousand Dollars and no cents (\$65,000) as punitive damages. BEL shall be liable for and shall pay to the Claimants Fifty Thousand Dollars and no cents (\$50,000.00) as punitive damages.

4. Parker and BEL shall be jointly and severally liable for and shall pay to the Claimants Three Thousand Two Hundred Dollars and no cents (\$3,200.00) for the back end charges for the mutual funds.

5. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimant and shall pay an additional \$5,250.00 to the NASD as forum fees. The Respondents shall be jointly liable for and shall pay to the NASD \$6,000.00 as forum fees.

6. The Claimants' claim for attorneys' fees and costs is hereby denied.

By the Panel

Dated: 7-20-90 /S/ Murray S. Levin, Esq.  
Presiding Chair

Dated: 7-25-90 /S/ Lawrence L. Downs

Dated: 7-19-90 /S/ John F. Fogarty

Date Served: 7-31-90