

## N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Parkview Townhomes, Inc.

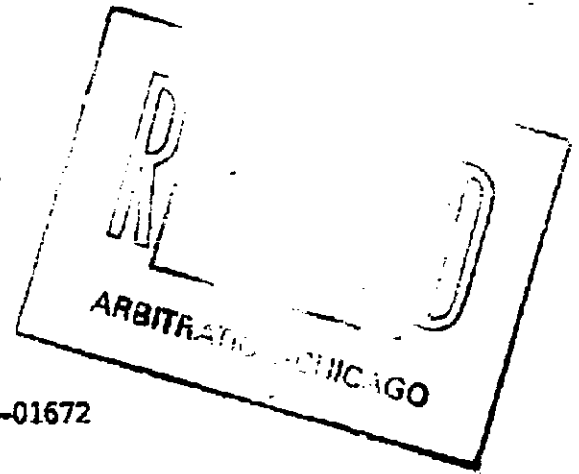
Claimant

and

90-01672

Affiliated Security Brokers  
Lionel Locke

Respondents

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about June 12, 1990, Claimant Parkview Townhomes, Inc. ("Parkview") alleged that Respondent Lionel Locke ("Locke") met with a representative of Parkview to discuss investments on November 4, 1988. The Parkview representative informed Locke that they intended to invest \$20,000 in a safe and somewhat liquid investment. Locke allegedly recommended U.S. Treasury Notes or Euro dollars and a decision was made to purchase Euro dollars. Parkview gave Locke a check for \$20,000 and on November 25, 1988 Parkview was informed by letter that the money was invested. Thereafter, Parkview discovered that Locke was under investigation by the North Dakota Securities Commission and that Parkview's money was never invested in Euro dollars.

In a Statement of Answer filed with the NASD on or about July 26, 1990, Affiliated stated that it had no record of Parkview's funds ever being transferred to Affiliated and that Locke was not an officer of Affiliated and not authorized to open an account under Affiliated's name. Affiliated alleged further that Locke was in jail awaiting trial for securities offenses and urged that the arbitration be delayed pending outcome of the trial.

Locke did not file an answer to the claim.

RELIEF REQUESTED

Parkview requested an award of \$20,000 plus interest at 12% per annum, costs and a return of the filing fee. First Affiliated requested a dismissal of the claim.

**PROCEEDING RECORD**

On Friday, May 3, 1991 in Minneapolis, Minnesota during a hearing lasting a total of one (1) session, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on June 9, 1990 by Gary E. Euren, President on behalf of Claimant Parkview Townhomes, Inc. and on July 20, 1990 by Jonathan J. Mitchell on behalf of Respondent Affiliated Security Brokers.

Respondent Lionel Locke did not file with the NASD a properly executed submission to arbitration or an answer but is required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure and is bound by the determination of the arbitration panel on all issues submitted. Neither Respondent appeared at the hearing on May 13, 1991. The arbitrator went forward in the absence of both respondents pursuant to his authority in Section 29 of the NASD Code.

The Claimant has 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 original(s) remain on file with the NASD.

**AWARD**

The undersigned arbitrator, having considered the parties' pleadings, the testimony, and the evidence presented at the hearing by the Claimant only, has decided in full and final resolution of the issues submitted for determination as follows:

1. Affiliated and Locke are jointly and severally liable for and shall pay to Parkview the sum of \$23,171 inclusive of interest from November 4, 1988 to and including May 3, 1991;
2. Simple interest at the rate of 6% per annum will accrue on the above sum from and inclusive of May 3, 1991 to and inclusive of the date this award is paid;
3. The parties shall each bear their respective costs, expenses and attorney's fees incurred in this matter; and,

4. 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 \$400.00 previously deposited with the NASD by the Claimant. No additional forum fees are assessed.

Dated:

August 9, 1991

Timothy M. Heaney  
Timothy M. Heaney, Esq.  
Presiding Chair  
Public Arbitrator