

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

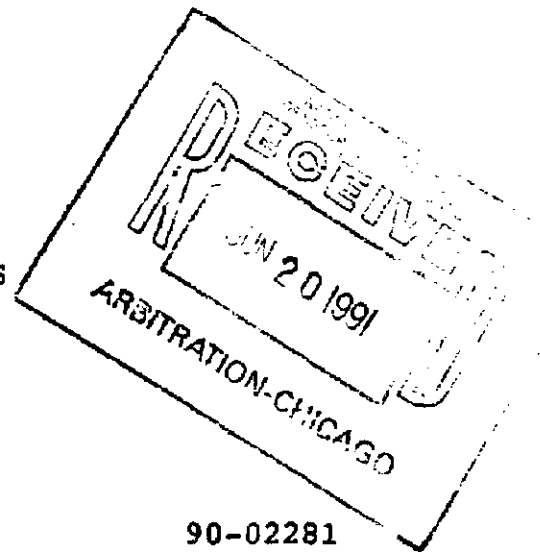
Margaret Solomon,

Claimant

and

Blunt Ellis & Loewi, Inc.  
Jeffrey Murray,

Respondents



90-02281

REPRESENTATION OF PARTIES

Claimant Margaret Solomon was represented by Jeff Ross of Parinen Bowman & Levy P.A., Minneapolis, Minnesota.

Respondents Blunt Ellis & Loewi, Inc. and Jeffrey Murray were represented by Don Conley of Quarles & Brady, Milwaukee, Wisconsin.

CASE SUMMARY

In a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about August 22, 1990, Claimant Margaret Solomon ("Solomon") alleged that Respondent Jeffrey Murray ("Murray"), while acting as agent for or employed by Respondent Blunt Ellis & Loewi, Inc. ("Blunt Ellis"), engaged in the following actions:

1. Falsified the information on an options account application form after Solomon signed it in blank in order to qualify her for options trading;
2. Misrepresented that he would minimize the risk of option trading by closely monitoring changes in the option prices;
3. Engaged in at least one unauthorized trade;
4. Fraudulently or otherwise inappropriately recommended investments which were unsuitable for Solomon.

Based upon the above actions, Solomon alleged violations of Minnesota statute and the NASD Rules of Fair Practice.

In a Statement of Answer filed with the NASD on October 15, 1990, Respondents Blunt, Ellis & Loewi, Inc. and Jeffrey Murray denied the material allegations of the Statement of Claim, alleging that: 1) Solomon supplied all information placed on the account form and received a completed copy of the form shortly after it was signed; 2) the information was not challenged; 3) all securities purchased were authorized; and, 4) the risks of purchasing options was carefully and thoroughly explained to Solomon. In addition, Respondents asserted that the Claim was barred by the statute of limitations; the doctrines of laches, waiver and ratification; and Solomon's contributory negligence.

#### RELIEF REQUESTED

Claimant Margaret Solomon requested entry of an award against Respondents, jointly and severally, in the amount of \$25,000.00 plus attorney's fees and interest.

Respondents Blunt, Ellis & Loewi, Inc. and Jeffrey Murray requested that the Statement of Claim be dismissed and denied in its entirety and that they be awarded their costs, disbursements and reasonable attorneys fees in responding to the claim.

#### PROCEDURAL MATTERS

On June 4, 1991 in Minneapolis, Minnesota during a hearing lasting a total of two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on August 14, 1991 by Claimant Margaret Solomon and on June 4, 1991 by Respondent Jeffrey Murray.

Respondent Blunt Ellis & Loewi, Inc. did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure and having answered the claim, appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

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 original remains on file with the NASD.

#### AWARD

The arbitrator, 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:

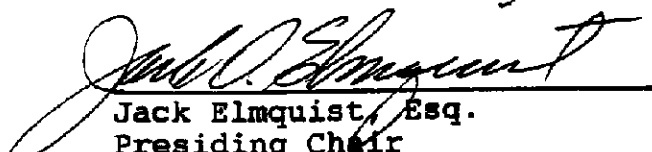
1. Respondents Blunt, Ellis & Loewi, Inc. and Jeffrey Murray are jointly and severally liable for and shall pay to Claimant Margaret Solomon the sum of \$1,135.95;

2. The parties shall bear their own costs of arbitration, including attorneys' fees, except for those specifically enumerated herein;

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the non-refundable claim filing fee of \$100.00 and refund the hearing session deposit in the amount of \$300.00 previously deposited with the NASD by the Claimant Margaret Solomon. Respondent Blunt, Ellis & Loewi, Inc. is liable for and shall pay to the NASD forum fees in the amount of \$600.00. The adjournment fee of \$300.00 assessed against Claimant Margaret Solomon is waived.

Dated:

June 17, 1991

  
Jack Elmquist, Esq.  
Presiding Chair  
Public Arbitrator