

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Norma Klemme

91-01614

Name of Respondent

Blunt Ellis & Loewi Incorporated

REPRESENTATION OF PARTIES

Claimant was represented by Diane Nygaard, Esq., Overland Park, Kansas.

Respondent was represented by Michael H. Schaalman, Esq. of Quarles & Brady, Milwaukee, Wisconsin.

CASE INFORMATION

The Statement of Claim was filed on or about May 23, 1991.

Claimant's Submission Agreement signed on May 6, 1991.

Statement of Answer filed by Respondent, Blunt Ellis & Loewi, Inc. on or about July 17, 1991.

Respondent Blunt Ellis & Loewi, Inc.'s Submission Agreement signed on July 15, 1991 by Dan Conley.

HEARING INFORMATION

A pre-hearing conference presided over by Bernard D. Craig, Jr., Esq., the presiding Chair of the arbitration panel was held on Monday, January 6, 1992 lasting one (1) session.

The hearing was held on Tuesday, January 7, 1992 in Kansas City, Missouri during two (2) sessions.

CASE SUMMARY

Claimant alleged that Ron Patterson, the manager of Blunt Ellis & Loewi, Inc.'s St. Joseph, MO office made material misrepresentations and omitted to

state material facts in connection with the purchase of limited partnership interests on behalf of her father's account. Claimant specifically alleged that Mr. Patterson failed to inform the Claimant of the risks associated with the investment in Prudential Strategic Income Fund and Kemper High Income fund. Claimant further alleged that these investments were wholly unsuitable for the account of her father.

Respondent denied the allegations that it recommended unsuitable investments, misrepresented the nature and risks of the investments, breached its fiduciary duties or otherwise acted wrongly in connection with the Claimant's account.

RELIEF REQUESTED

Claimant requested an award in the approximate amount of \$14,914.00 as compensatory damages, unspecified punitive damages, attorney's fees, costs and interest.

Respondent requested that the Statement of Claim be dismissed on its merits with prejudice and that it be awarded actual attorney's fees and expenses incurred in this matter.

OTHER ISSUES CONSIDERED & DECIDED

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(s) remain on file with the NASD.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Blunt Ellis & Loew, Inc. a division of Kemper Securities Group, Inc. shall be and hereby is liable for and shall pay to the Claimant Norma Klemme the sum of \$13,050.00 (Thirteen Thousand Fifty Dollars) which sum includes interest.
2. No punitive damages are awarded herein.
3. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter not specifically enumerated herein.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the

non-refundable filing fee in the amount of \$100.00 and shall retain the hearing session deposit in the amount of \$400.00 previously deposited with the NASD by the Claimant. Respondent shall pay to the NASD the sum of \$700.00 as forum fees and shall reimburse Claimant in the amount of \$500.00. Forum fees are calculated at the rate of \$400.00 per hearing session and \$300.00 for each prehearing conference, if any.

Fees are payable to the National Association of Securities Dealers, Inc.

Dated:

1/13/92

Bernard D. Craig, Jr.

Bernard D. Craig, Jr., Esq.
Presiding Chair
Public Arbitrator

David I. Lewin
Public Arbitrator

Jane L. Stafford, Esq.
Industry Arbitrator

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Dated:

Bernard D. Craig, Jr., Esq.
Presiding Chair
Public Arbitrator

15 January '92

David I. Lewin
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