

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

CASE SUMMARY

Respondent, Kober Financial Corp., through its in-house representative Rick J. Rouse, maintained that it acted in good faith and did not directly or indirectly induce any acts which may constitute a violation of the state or federal Securities laws by Dan Ratts, and that the Claimant was aware of the potential for loss which might occur.

Respondent, Dan Ratts failed to file an answer to the Statement of Claim.

Respondent, Deborah Neuner, who appeared Pro Se, maintained that she denies effecting any securities transactions in the Claimant's account without his prior authorization, and that all transactions executed in the account of the Claimant were done at the current market price and in full compliance with all applicable State and Federal Securities Laws.

On December 27, 1991 Claimant, Verdis Cook filed a reply to Kober Financial Corp. and Deborah Nuener's answers in which he refuted the Respondents defenses and contended that this was "Penny Stock Fraud".

RELIEF REQUESTED

Claimant, Verdis Cook requested \$5,762.00 in actual damages against respondents Kober Financial Corp. and Dan Ratts and \$9,603.75 in actual damages, plus interest against Respondents Kober Financial Corp. and Deborah Neuner.

Respondent, Kober Financial Corp. requested the claims of the Claimant be dismissed.

Respondent, Deborah Neuner requested the claims of the Claimant be dismissed.

Respondent, Dan Ratts failed to file and answer to the Statement of Claim.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Jim Ellerton, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 21, 1991 and June 17, 1991 and by the Respondent, Kober Financial Corp. August 9, 1991 and November 8, 1991, Deborah Neuner on August 16, 1991. Respondent Dan Ratts did not sign the Submission as required by Sections 12 and 13 of the NASD Code of Arbitration Procedure.

1. In accordance with Section 13 of the NASD, Inc. Code of Arbitration Procedure the Respondent was served a copy of the claim by regular mail and given an opportunity to respond, which he failed to do.

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Award #91-01703 consolidated with #91-01704

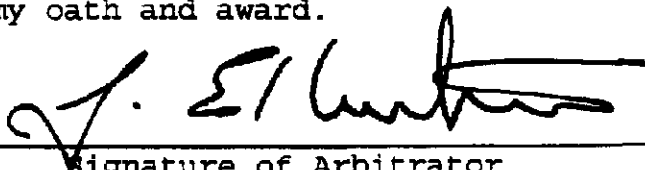
2. Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent Dan Ratts was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination are as follows:

1. The Respondent, Kober Financial Corp.'s request for consolidation of the NASD Arbitration Cases 91-01703 and 91-01704 is hereby granted.
2. The claims of the Claimant, Verdis Cook against Respondents, Kober Financial Corp., Deborah Neuner and Dan Ratts are dismissed in their entirety.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Verdis Cook, for each NASD proceeding, shall be retained by the NASD.

AFFIRMATION

I, JIM ELLERTON, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION:

July 17th 1992

ATED BY NASD, INC. July 22, 1992