

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Virgil and Virginia Parker, JTWROS

92-04260

Name of Respondents

Carmen M. Glikberg
Mathews, Holmquist & Associates, Inc.

REPRESENTATION

For Claimants: Virgil and Virginia Parker, JTWROS, were represented by Mark G. Schrader, Esq. of Jennings, Jacknewitz & Schrader, P.C., located in Belleville, Illinois.

For Respondents: Mathews, Holmquist & Associates was, represented by Pete Mathews and Mark Regnier of Mathews, Holmquist & Associates, Inc., Minneapolis, Minnesota.

Carmen M. Glikberg appeared pro se.

CASE INFORMATION

Statement of Claim filed: December 22, 1992.

Claimants' Submission Agreement signed on: December 14, 1992.

Statement of Answer filed by Respondent Mathews, Holmquist & Associates, Inc. on: February 12, 1993.

Respondent Mathews, Holmquist & Associates, Inc.'s Submission Agreement signed on: February 12, 1993 by Pete Mathews, President, Mathews, Holmquist & Associates, Inc.

Statement of Answer filed by Respondent Carmen M. Glikberg on: February 8, 1993.

Respondent Carmen M. Glikberg's Submission Agreement signed on: February 12, 1993.

HEARING INFORMATION

Pre-Hearing Conference: None Held.
Hearing Date/Sessions: August 10, 1993 for One (1) session.
Hearing Location: St. Louis, Missouri.

CASE SUMMARY

Claimants Virgil and Virginia Parker, JTWROS ("Parkers") alleged that Respondent Carmen M. Glikberg ("Glikberg"), while employed by or acting as an agent for Respondent Mathews, Holmquist & Associates, Inc. ("Mathews, Holmquist"), misrepresented the risks and factors involving an investment in United Heritage Corp. stocks and warrants. The Parkers specifically alleged that:

1. In mid-January of 1992, Glikberg began calling the Parkers, often several times a day, and attempted to get them to invest in United Heritage Corp. stocks and warrants, explaining that they were such a good buy, they couldn't lose and that the investment was sure to make a lot of money by February;
2. The Parkers explained that they needed the money back by the end of February in order to pay taxes and Glikberg she would have it back to them with profit without any problem. Based upon these representations, the Parkers purchased 1500 shares and 1000 warrants on January 27 and an additional 1000 shares on January 28 for a total investment of \$12,292.50;
3. By the end of February, the investments had declined in value by nearly a third. Glikberg told the Parkers that she wouldn't sell, so they were forced to borrow money to pay their taxes. By the end of March, the account was worth \$11,185.50, and Glikberg continued to refuse to sell despite the Parkers' orders;
4. On May 11, Glikberg sold 1500 shares at 3.5, and sent the Parkers a check for \$5,242.50. However, the Parkers' orders to sell were refused as she advised the Parkers that the price would go up again; and
5. Eventually, Glikberg followed orders and sold the Parkers out, sending them a check for \$2,972.50. She advised the Parkers that they had just bought in to high.

Respondent Glikberg denied the material allegations of the Statement of Claim, alleging that:

1. In November, 1991, Glikberg contacted Virgil Parker, who told her he was a farmer, was active in the market for more than ten years, was active in commodities, and had invested in low price stock, penny stocks. Parker further advised that he was interested in some speculation, for growth in long term and was able to take some risks because he already had a more conservative portfolio;
2. At Parker's request, Glikberg called after the end of the year. After several discussions, Glikberg forwarded information and a prospectus on United Heritage Beef Co. to Parker and on January 27, 1992, the Parkers account was opened with the purchase of 1500 shares of common stock and 1000 warrants. An additional 1000 shares of stock were purchased the next day. Glikberg never advised the Parkers to borrow money. Parker advised Glikberg of his liquid position and said that \$15,000.00 to \$20,000.00 in a speculative security such as United hHritage Beef Co. was comfortable to him;
3. Mr. Parker remained positive about the company. Glikberg sent additional information regarding the company to Parker, who, advised that he wished to hold onto the stock to see if overseas contracts became a reality. On April 29, 1992, Parker was undecided about what he wanted to do. On May 4, 1992, Parker called with an unsolicited sell of 1500 shares of the common stock, but specifically stated that he wanted to hold the remainder of the investment. Glikberg spoke to the Parkers three times between May 4 and June 23 and the Parkers never indicated they wanted to sell the rest of their position in United Heritage; and
4. On June 23, Mr. Parker called to sell the rest of his position. Three days later, Mrs. Parker called and requested the check. Glikberg advised that the check would be requested after the settlement date. This occurred and the check was forwarded.

Respondent Mathews, Holmquist denied the material allegations of the Statement of Claim, alleging that the Parkers understood the risk of the investment, gave Glikberg specific instructions to perform certain transactions, and were comfortable with their investments at the time.

RELIEF REQUESTED

Claimants requested entry of an award against Respondents for the sum of \$4,227.50, representing \$4,077.50 for the initial loss and \$150.00 for the arbitration fee.

Respondent Glikberg did not make a specific relief request in the Statement of Answer.

Respondent Mathews, Holmquist requested that the Parkers not be awarded any compensation.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

The Arbitrator finds that Respondent Carmen Glikberg did not execute a sale order when given by the Parkers. At the time the Parkers gave the sale order, the price of the investment had already declined \$1,100.00 and the Parkers are responsible for this loss. Respondents are only responsible for the loss to the Parkers occurring after their order of sale was not executed.

AWARD

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

1. Respondents Carmen Glikberg and Mathews, Holmquist & Associates, Inc. are jointly and severally liable for and shall pay to Claimants Virgil and Virginia Parker, JTWROS the sum of \$3,200.00;
2. The parties shall bear their own costs of arbitration, including attorneys' fees, except for those specifically enumerated herein.

OTHER COSTS

The National Association of Securities Dealers, Inc. shall retain the \$100.00 postponement fee filed by Respondent Carmen Glikberg.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed: One (1) hearing session x \$100.00 per session = \$100.00.

The National Association of Securities Dealers, Inc. shall retain the \$50.00 claim filing fee and refund the \$150.00 hearing session deposit previously deposited by the Claimants, Virgil and Virginia Parker, JTWROS. Respondents Mathews, Holmquist & Associates, Inc. and Carmen Glikberg are jointly and severally liable for and shall pay to the NASD forum fees in the sum of \$100.00.

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

Arbitrator's Signature

Name

Date

Gerald Cohen, Esq.
Gerald Cohen, Esq.
Public Arbitrator
Chairperson

October 4, 1993

For NASD Use Only

Date of Service of Award: 10-5-93