

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Theodore W. Dick

93-00693

Name of Respondent

Kober Financial Corp.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 25, 1993, Claimant Theodore Dick, who appeared Pro Se, alleged that he made an original investment of \$4,968.00 on September 24, 1991 with Respondent Kober Financial Corp. to establish a new self directed IRA account and purchase 2,500 shares of ASA stock, at which time, Claimant filled out new account forms. Claimant further alleged that as the time was running out for him to reinvest his IRA rollover money, and the new account would take some time to establish, in order to avoid penalty, Claimant was directed by Respondent to obtain a cashier's check made payable to Respondent's holding company, Noble holding, whereby Respondent used an account to park funds for a brief time until they could be moved into the actual account. Claimant contended that the next month's statement from Respondent looked as though the transaction had been negated, at which time, Claimant contacted Respondent by and through Mr. Lasek to investigate the problem whereby Mr. Lasek stated that it must have been an accounting error and he would look into the issue to rectify the situation. Claimant further contended that in January, 1992 Mr. Lasek told him he was turning Claimant's account to Mr. David Holzer, at which time, Claimant was growing increasingly unhappy with the ASA investment and indicated that he wanted to sell this stock to purchase Home Depot stock, whereby Respondent by and through Mr. Holzer advised him to hold off because Home Depot was supposedly heading into a regular yearly dip and ASA was projected to take a jump, and this would optimize the trade. Claimant asserted that in March, 1992 he ordered the ASA stock sold and Home Depot stock purchased whereby he received statements confirming that 2,500 shares of ASA had been sold and later, the statement appeared to negate the ASA transaction; and the Home Depot never appeared at which time, Respondent by and through Mr. Holzer informed Claimant that he would check into it. Claimant further asserted that he pursued legal action through the Arizona Corporation

Commission ("ACC") when Respondent failed to clear up the problem and ACC's having already been contacted had determined that the money stolen from clients should be repaid, however; Claimant's case had come to the attention of ACC too late for it to be included in their "Findings of Fact", thus, Respondent should be liable for the actions of their Account Executives and repay Claimant for his losses.

Respondent Kober Financial Corp. failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Theodore Dick requested \$6,464.00 in actual damages and costs.

Respondent Kober Financial Corp. failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent Kober Financial Corp. was served a copy of the Statement of Claim by regular mail on March 16, 1993 and given an opportunity to respond, which they failed to do. Respondent Kober Financial Corp. was notified on April 23, 1993, via certified mail, that their Statement of Answer was overdue. The signed certified mail receipt was returned to the NASD dated April 30, 1993, evidencing their receipt of this correspondence.

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

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Robert A. Williams, Jr., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 18, 1993 and not signed by the Respondent as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

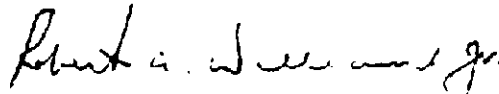
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Kober Financial Corp. is liable and shall pay to the Claimant Theodore Dick the sum of \$4,968.00 in damages.

2. Respondent Kober Financial Corp. is liable and shall pay to the Claimant Theodore Dick simple interest at the rate of 8% per annum from September 30, 1991 to the date of payment of the award.
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 Theodore Dick shall be retained by the NASD, Inc. Respondent Kober Financial Corp. is liable and shall pay to the Claimant the sum of \$150.00, as reimbursement.

AFFIRMATION

I, ROBERT A. WILLIAMS, JR., 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 12, 1993