

**NATIONAL ASSOCIATION OF SECURITIES DEALERS
AWARD**

In the Matter of the Arbitration Between

ROY ALLENSTEIN,

Claimant,

v.

NASD No. 93-04482

KEMPER SECURITIES and
LANCE KOENNECKER,

Respondents.

Representation

For Claimant: Shirley Smith, Esq. of Marina Del Ray, California

For Respondent Kemper Securities: A. Brad Busscher, Esq. of Kemper Securities, Chicago, Illinois

For Respondent Lance Koennecker: Lance Koennecker, pro se

Case Information

Statement of Claim filed: November 22, 1993

Claimant's Submission Agreement signed: October 19, 1993

Statement of Answers by Kemper Securities and Koennecker filed on: February 14, 1994.

Respondents' Submission Agreement signed on: Kemper Securities on February 11, 1994 and Lance Koennecker on February 9, 1994.

Hearing Information

Prehearing Conference Date(s)/Sessions: January 6, 1995/one

Hearing Date/Sessions: January 13, 1995/three

Hearing Location: Los Angeles, California

Case Summary

Claimant alleged:

Failure to execute a sell order for "A" warrants of Avalon-Southern Community Services (Avalon). On August 3, 1993, Claimant called H. J. Meyers & Co. and Lance Koennecker (Koennecker) and received a quote of \$5.00 for the warrants. Koennecker informed Claimant he had a Mr. Bruce Dorfman, a client, who would purchase the warrants. Claimant knew Mr. Dorfman and agreed to the trade at \$5.00. A meeting was set for August 5, 1993 to formally open Claimant's account. The terms of the sale were reiterated at a meeting on August 5, 1993

Respondent Kemper Securities (Kemper) denied each and every allegation of wrongdoing in the Claim and alleged:

At no time did any broker-dealers relationship exist between Kemper and Claimant. Kemper never accepted any order from Claimant, which is confirmed by the lack of any documentation evidencing any such alleged order. Kemper has no record of Claimant owning a valid brokerage account with Kemper or of entering any order or depositing any securities. The alleged transaction was a private one between Claimant and Bruce Dorfman only, and Claimant had no basis to expect that Kemper would participate in it. After Claimant and Dorfman were unable to consummate their private transaction, he wrote to Kemper and demanded that Kemper reimburse him for alleged losses since there was no market for the warrants as the registration had expired.

Respondent Lance Koennecker denied each and every allegation of wrongdoing in the Claim and alleged:

Koennecker incorporated by reference the Answer of Kemper. Koennecker was not present at any meeting between Claimant and Bruce Dorfman as a representative of Kemper and denies that any agreement was reached to sell the warrants.

Relief Requested

Claimant requested:

1. Compensatory damages of \$100,000;
2. Interest at the legal rate;
3. Punitive damages;
4. Costs;
5. Attorney's fees

Other Issues Considered and 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 originals remain on file with the NASD.

Respondent Kemper's Motion to Dismiss for failure to produce documents, made at the hearing, was taken under submission and then denied by the panel.

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. Each and every claim against all Respondents is dismissed;
2. The claim for punitive damages is dismissed;
3. The parties shall each bear their respective attorney's fees;
4. The parties shall each bear their respective costs, with the exception that Claimant is liable for and shall pay \$474.00 in costs directly to Respondent Kemper for failure to produce documents.

Other Costs

None.

Forum Fees

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc., shall retain the \$500 hearing session deposit previously paid by the claimant although the correct hearing deposit is \$1,000 for a claim of \$600,000. Forum fees are assessed against:

Claimant for \$1,000, minus \$500 already paid, leaving a balance of \$500, and
Respondents, jointly and severally, for \$1,000

calculated as follows: one prehearing session at \$300/prehearing session, plus three hearing sessions at \$1,000/hearing session, equals \$3,300 in assessable forum fees. The panel assessed \$2,000, divided equally between Claimant and Respondents

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

Arbitration Panel

<i>Name</i>	<i>Public/Industry</i>
Wayne Gallop	Public
Andrew Sorensen	Industry
John Dampman	Public

Concurring Arbitrators' Signatures

Wayne Gallop

Andrew Sorensen



John Dampman

Date Served: 1-26-95

Date of Decision: