

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Harold Rice
Patsy Rice

NASD Arbitration
No. 93-04840

Name of Respondents

TriQuest Financial, Inc.
GMI Securities, Inc.
Thomas Kocherhans

REPRESENTATION

For Claimants: Richard C. Coxson, Esq., Spanish Fork, Utah

For Respondents: TriQuest Financial, Inc. - Charles Whiting
GMI Securities, Inc. - Gary L. Leavitt
Thomas Kocherhans - In Pro Se

CASE INFORMATION

Statement of Claim filed: November 23, 1993

Claimants' Submission Agreement signed: November 15, 1993

Statement of Answer filed by Respondent Thomas C. Kocherhans: February 3, 1994

Statement of Answer filed by Respondent TriQuest Financial, Inc.: February 8, 1994

Submission Agreement signed by Respondent, TriQuest Financial, Inc.: February 16, 1994

Submission Agreement signed by Respondent, Thomas C. Kocherhans: February 18, 1994

HEARING INFORMATION

Hearing Dates / Sessions: October 25, 1994 - Two sessions

Hearing Location: Salt Lake City, Utah

CASE SUMMARY

Claimants, Harold Rice and Patsy Rice, alleged that Respondent, Thomas Kocherhans (Kocherhans) while employed by Respondent, TriQuest Financial, Inc., caused unauthorized trades in Claimants' account, traded on margin without written permission of Claimants, churned the Claimants account for his and TriQuest's benefit.

Respondent, Kocherhans, alleged that Claimants were aware of the nature of the activity in their account and never complained to Kocherhans of said activity. Any losses suffered by Claimants was the result of choices they made and risks they chose to take.

Respondent, TriQuest Financial, Inc. (successor to Respondent GMI Securities, Inc.) alleged that they fulfilled their duty to supervise Kocherhans and that all activity in the Claimants' account was consistent with their investment objectives of income and speculation.

RELIEF REQUESTED

Claimants seek to recover losses of \$60,000.00, plus punitive damages.

Respondents seek dismissal of the claim in its entirety.

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 original remains 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. Respondents, TriQuest Financial, Inc, GMI Securities, Inc. and Thomas Kocherhans, are jointly and severally liable and shall pay to Claimants Harold Rice and Patsy Rice the sum of Thirty-Four Thousand, Nine Hundred, Eighty-Six Dollars and No Cents (\$34,986.00.)
2. Claimants' claim for punitive damages is denied.

3. The parties shall each bear their respective costs and fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure,

Total Fees
Two sessions @ \$500.00 / each - \$1,000.00

Respondent Thomas Kocherhans is solely assessed fees as follows:
Balance of fees - \$1,000.00

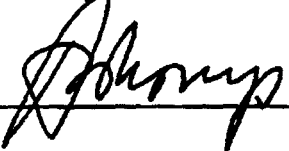
Claimants Harold Rice and Patsy Rice are to be refunded by the NASD their previously-paid \$500 hearing session deposit.

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
A. Robert Thorup	Public Chairperson
D. Scott Hays	Public Panelist
Edward Schrandt	Industry Panelist

Concurring Arbitrators' Signatures



Served 11/29/94

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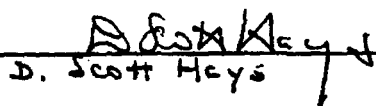
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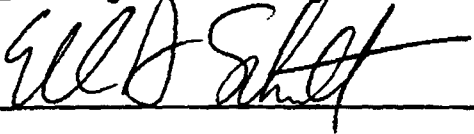
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