

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

In the Matter of the Arbitration Between

Name of Claimants

Rochelle Flink  
Michael Flink  
Robert Flink

95-00074

Name of Respondent

Doug Getzke

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**REPRESENTATION**

Claimant appeared pro se.

For Respondent: Edwin A. Zipf, Esq. from the law firm of Bressler Amery & Ross, Morristown, NJ

**CASE INFORMATION**

Statement of Claim filed: January 5, 1995

Claimant, Rochelle Flink's Submission Agreement signed on: December 20, 1994

Claimant, Michael Flink's Submission Agreement signed on: December 23, 1994

Claimant, Robert Flink's Submission Agreement signed on: December 9, 1994

Statement of Answer filed by Respondent, Doug Getzke on: March 17, 1995

Respondent, Doug Getzke's Submission Agreement signed on: March 29, 1995

**HEARING INFORMATION**

Hearing Dates/Sessions:	April 29, 1996 -	2 sessions
	April 30, 1996 -	2 sessions
	May 8, 1996 -	2 sessions
	May 15, 1996 -	2 sessions

Hearing Location: New York City, NY

### **CASE SUMMARY**

Claimant, Rochelle Flink ("Claimant") alleged that Respondent, Doug Getzke's ("Getzke") investment recommendation to purchase Real Estate Mortgage Investment Conduits ("REMICs") was unsuitable based upon her age, financial situation, and financial goal of safety of principal. Specifically, the Claimant alleged she purchased the first of three REMICs from Getzke on June 7, 1993 with a face value of \$25,000.00 for \$23,500.00 on which Claimant received principal payments totalling \$20,004.51. However, Claimant alleged that she has not received a payment since June, 1994 and is still owed \$3459.49 of principal plus interest on this investment.

Claimant alleged that she purchased an additional REMIC on December 2, 1993 with a face value of \$23,000.00 for which she paid \$20,010.00. The Claimant alleged that she received only one payment on this investment and is owed \$18,671.00 of principal plus interest.

Further, Claimant alleged that she purchased a third REMIC on February 24, 1994 with a face value of \$23,000.00 for which she paid \$20,240.00. Claimant alleged that she is still owed \$20,226.51 of principal plus interest on this investment.

Claimant alleged that Doug Getzke assured her that her principal would be returned in approximately one to one and a half years. Claimant further alleged that Doug Getzke grossly misrepresented the nature of the securities as safe investments, emphasizing that they are AAA rated and backed by the government. Claimant contended that Doug Getzke failed to disclose the fact that if long term interest rates rose, the payment of principal and interest on the REMICs would markedly decrease or stop completely.

Respondent maintained that Rochelle Flink represented that her principal focus in opening an account with HYM Financial Services, Inc. ("HYM") was earning a good yield on her investment. Respondent further maintained that in March of 1993, Rochelle Flink purchased her first Collateralized Mortgage Obligation ("CMO") and that he discussed with the Claimant the relationship between the market price and maturity of the product to fluctuations in interest rates. Additionally, Respondent maintained that he discussed the nature of the product and the risks associated with such an investment.

Specifically, the Respondent maintained that he made Rochelle Flink aware that she was investing in a long-term product which could mature either faster or slower depending on interest rates. Respondent contended that on Ms. Flink's first investment in a CMO, she was paid as projected and fully refunded in one year and two months.

Respondent further maintained that each time Claimant purchased a CMO he outlined the nature and risks associated with the product and at no time guaranteed the performance of the product. Respondent maintained that he should not be responsible for the decline in the performance of the CMOs since the Claimant invested in the CMOs after being apprised of the risks and nature of the instrument.

### **RELIEF REQUESTED**

Claimant requested damages in the amount of \$42,357.77, in addition to loss interest income.

Respondent requested that the claim be dismissed and the costs of arbitration be assessed against Claimants.

### **OTHER ISSUES CONSIDERED & 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.

### **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. All claims against Respondent Doug Getzke are hereby dismissed;
2. The parties shall bear their respective costs; and,
3. All other requests for relief are denied.

### **FORUM FEES**

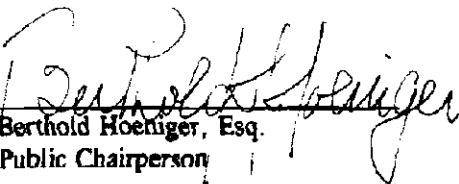
Pursuant to Section 43(c) of the Code of Arbitration Procedure, the arbitrators have assessed the following forum fees:

Total Forum Fees: 3,200.00 (8 sessions x \$400)

1. Claimants are assessed the sum of \$2,400.00 representing three-quarters of the total forum fees due. Claimants are liable, jointly and severally and shall pay to the NASD the sum of \$2000.00.
2. Respondent is assessed the sum of \$800.00 representing one-quarter of the total forum fees due. Respondent is liable and shall pay to the NASD the sum of \$800.00.

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

ARBITRATORS' SIGNATURES

  
Berthold Hoehner, Esq.  
Public Chairperson

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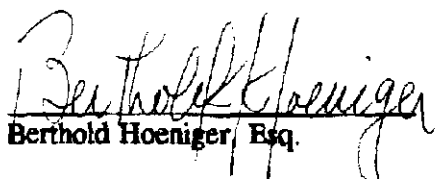
Anne Cugliani  
Public Arbitrator

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Mary Ellen Vitano, Esq  
Industry Arbitrator

Date of Decision: June 27, 1996

I, Berthold Hoeniger, Esq., do hereby affirm pursuant to Article 7507 of the Civil Procedure Law & Rules, that this is my decision in the above captioned matter.

  
Berthold Hoeniger, Esq.

I, Anne Cugliani, do hereby affirm pursuant to Article 7507 of the Civil Procedure Law & Rules, that this is my decision in the above captioned matter.

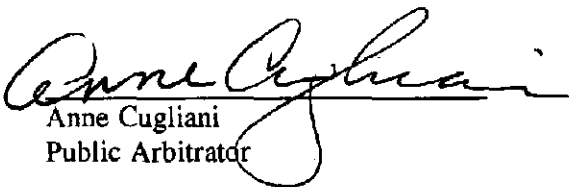
\_\_\_\_\_  
Anne Cugliani

I, Mary Ellen Vitrano, Esq., do hereby affirm pursuant to Article 7507 of the Civil Procedure Law & Rules, that this is my decision in the above captioned matter.

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Mary Ellen Vitrano, Esq.

**ARBITRATORS' SIGNATURES**

\_\_\_\_\_  
Berthold Hoeniger, Esq.  
Public Chairperson

  
Anne Cugliani  
Public Arbitrator

\_\_\_\_\_  
Mary Ellen Vitrano, Esq  
Industry Arbitrator

Date of Decision: June 27, 1996

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Berthold Hoeniger, Esq.

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Anne Cugliani

I, **Mary Ellen Vitrano, Esq.**, do hereby affirm pursuant to Article 7507 of the Civil Procedure Law & Rules, that this is my decision in the above captioned matter.

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Mary Ellen Vitrano, Esq.


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Berthold Hoeniger, Esq.  
Public Chairperson

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Anne Cugliani  
Public Arbitrator

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**Mary Ellen Vitrano, Esq.**