

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Eugene Sadler,
Claimant,

v.

No. 95-00868

Keith Kerczewski,
Respondent.

REPRESENTATION OF PARTIES

Eugene Sadler ("Claimant") appeared on his own behalf.

Keith Kerczewski ("Respondent") appeared on his own behalf.

CASE INFORMATION

Claimant's Statement of Claim was filed on or about February 17, 1995. Claimant's Submission Agreement was signed on

Respondent's Statement of Answer was filed on or about May 22, 1995. Respondent's Submission Agreement was signed on June 1, 1995.

HEARING INFORMATION

The hearing was held on December 14, 1995 in St. Louis, Missouri for a total of two (2) sessions.

CASE SUMMARY

Claimant alleged that Respondent: Used slick sales techniques and deceptive practices to lure him into making investments that were not sound or appropriate for his age and financial needs; secured investment purchases that caused him to roll over secure IRA funds into limited partnerships that were not secure investments; persuaded him to purchase Boston Capital, now Liberty Court, on the pretext that it would give the Claimant additional tax relief in dollar-for-dollar tax write-offs in February of 1989, and that Claimant was forced to add another \$8,000 in 1992 to keep them from going under; and used brochures and sales pitches, for the Merrico Oil investment, to indicate that

it was a solid investment, with money going towards currently producing wells, when in fact Merrico Oil was in financial trouble at the time of the investment and was not disclosed to him.

Respondent denied the allegations set forth in the Statement of Claim. Respondents specifically stated that: Claimant has in the past participated directly in oil exploration, rental property, stock options, farming, direct stock ownership, mutual funds, and developing a winery; and Claimant failed to follow the investment advice given to him.

RELIEF REQUESTED

Claimant requested an award in the amount of \$19,000.00 in compensatory damages, and \$19,000.00 as an award of punitive damages.

Respondent requested that the claims asserted against him be denied.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. 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:

Claimant's claims are, and each of them, denied with prejudice.

Each party will bear their owns costs and expenses associated with this arbitration.

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each prehearing conference, if any. There were two (2) sessions x \$400 = \$ 800 in forum fees. Pursuant to §43(b) of the NASD Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §43(c) of the Code, the NASD shall **retain** the non-refundable filing fee in the amount of \$120 and shall **retain** as forum fees the hearing session deposit in the amount of \$400 previously deposited with the NASD by the Claimant .

Additional forum fees in the amount of \$400 are assessed against the Claimant.

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

Dated:

C. J. McEnery
C. J. McEnery
Public Arbitrator, Presiding Chair

s/s

February 12, 1996

James L. Breckenridge
James L. Breckenridge
Public Arbitrator

s/s

February 15, 1996

Dwight E. Cole
Dwight E. Cole
Industry Arbitrator

s/s

February 13, 1996