

**AWARD**

**NASD REGULATION, INC.**

In the matter of the Arbitration Between

**Name of Claimants**

Daker S. Volkert and Betty L. Volkert

v.

Arbitration No.  
95-01063

**Name of Respondents**

Paulson Investment Company, Inc.,  
Investors Associates, Inc., Alex Cherepakhov,  
Donna Silverman Cherepakov and  
Roland Acevedo

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**REPRESENTATION**

For Claimants:

Karl D. Mowery, Esq.  
Law Offices of Karl D. Mowery  
Hemet, California

For Respondent  
Investors Associates, Inc.:

Did Not Appear

For Respondent  
Alex Cherepakhov:

Did Not Appear

For Respondent  
Roland Acevedo:

Did Not Appear

For Respondent  
Donna Silverman Cherepakov:

Did Not Appear

### **CASE INFORMATION**

Statement of Claim Received on:	March 29, 1995
Amended Statement of Claim filed on:	November 3, 1995
Second Amended Statement of Claim filed on:	May 30, 1996
Claimants' Daker S. and Betty L. Volkert Submission Agreement signed:	February 8, 1995
Statement of Answer filed by Respondent Paulson Investment Company, Inc.:	May 9, 1995
Statement of Answer filed by Respondents Alex Cherepakhov and Investors Associates, Inc.:	June 16, 1995
Statement of Answer to Claimant's Amended Statement of Claim filed by Respondents Alex Cherepakhov and Investors Associates Inc.:	December 4, 1995
Respondent Alex Cherepakhov's Answer to Cross Claim by Paulson Investment Company, Inc.:	July 5, 1995
Respondent Paulson Investment Company Inc.'s Submission Agreement signed:	April 20, 1995
Respondent Alex Cherepakhov's Submission Agreement signed:	June 16, 1995
Respondent Investors Associates Inc.'s Submission Agreement signed:	June 16, 1995

### **HEARING INFORMATION**

Pre Hearing Conference Dates / Sessions:	April 25, 1996 (1 Session) April 22, 1997 (1 Session) October 28, 1997 (1 Session)
Hearing Dates / Sessions:	March 17, 1999 (1 Session)
Hearing Location:	Los Angeles, California

### **CASE SUMMARY**

Claimants alleged that the Respondents committed fraud, constructive fraud, and deceit, engaged in fiduciary abuse according to California Welfare and Institutions Code §15610(f), and intentionally and negligently inflicted emotional distress upon Claimants. Claimants alleged that Respondents Paulson Investment Company, Inc. and Investors Associates, Inc. engaged in unfair business practices and were negligent in hiring and supervising Respondents Roland Acevedo and Alex Cherepakov.

Respondents denied each and every allegation of wrongdoing set forth in the Claimant's Statement of Claim.

### **RELIEF REQUESTED**

At the hearing, Claimants requested compensatory damages, punitive damages, attorney's fees and costs in accordance with proof.

Respondent Paulson Investment Company, Inc. requested dismissal of the Claimant's Statement of Claim in its entirety, attorney's fees and costs. Respondent Paulson Investment Company, Inc. in its Cross-Claim requested indemnity from Respondents Roland Acevedo and Alex Cherepakov.

Respondents Investors Associates Inc. and Alex Cherepakov requested dismissal of the Claimant's Statement of Claim in its entirety, dismissal of Respondent Paulson Investment Company, Inc.'s Cross-Claim, attorney's fees and costs.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties have agreed that the Award in this matter may be executed either 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 Regulation, Inc., Office of Dispute Resolution.

On August 27, 1996 Claimants dismissed Respondent Paulson Investment Company, Inc. with prejudice. Respondent Paulson Investment Company, Inc. dismissed its Cross-Claimant against Respondents Investors Associates Inc. and Alex Cherepakov.

On September 9, 1998, the Arbitration Panel granted Claimants' Motion to Amend the Statement of Claim to add Donna Silverman Cherepakov as a Respondent in this action.

### 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 Investors Associates, Inc., Alex Cherepakhov, Donna Silverman Cherepakov and Roland Acevedo are jointly and severally liable to and shall pay Claimants the sum of \$29,150.00 in compensatory damages.
- 2) Respondents Investors Associates, Inc., Alex Cherepakhov, Donna Silverman Cherepakov and Roland Acevedo are jointly and severally liable to and shall pay Claimants the sum of \$5,000.00 in attorney's fees pursuant to California Welfare and Institutions Code §15657(a).
- 3) Respondents Investors Associates, Inc., Alex Cherepakhov, Donna Silverman Cherepakov and Roland Acevedo are jointly and severally liable to and shall pay Claimants the sum of \$29,150.00 in punitive damages pursuant to California Welfare and Institutions Code §15657(a).
- 4) Interest of 10% per annum shall accrue on the total amount awarded until paid.

### FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

One Single-Panelist Pre-Hearing Conference Session @ \$300.00 / Session	= \$300.00
Two Full Panel Pre-Hearing Conference Session @ \$400.00 / Session	= \$800.00
One Hearing Sessions @ \$400.00 / Session	= \$400.00
Total Fees Jointly and Severally Assessed Against All Respondents	= \$1,500.00
Respondents Investors Associates, Inc., Alex Cherepakhov, Donna Silverman Cherepakov and Roland Acevedo's Joint and Several Respondent's Balance Due	= \$1,500.00

The NASD shall refund Claimants' Hearing Session Deposit

Fees are payable to NASD Regulation, Inc.

### OTHER FEES


Pursuant to Rule 10333 of the Code, Respondent Paulson Investment Company, Inc. has paid to NASD Regulation, Inc. the \$200.00 member surcharge previously invoiced.

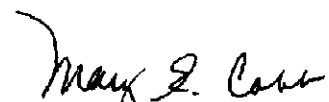
Pursuant to Rule 10333 of the Code, Respondent Investors Associates, Inc. shall pay to NASD Regulation, Inc. the \$200.00 past due member surcharge previously invoiced.


**ARBITRATORS**

<u>Name</u> .....	<u>Public / Industry</u>
Lambert M. Javelera, Esq.	Public Arbitrator
Mary E. Cobb	Industry Arbitrator
Herbert Leslie Greenberg, Esq.	Public Arbitrator

**Concurring Arbitrators' Signatures**

  
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Lambert M. Javelera, Esq.

  
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Mary E. Cobb

  
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Herbert Leslie Greenberg, Esq.

Date of Service: March 31, 1999