

AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Kathy Parker

and

96-02539

Name of Respondent

Strategic Resource Management, Inc.
William Moler
Catherine Moler

REPRESENTATION OF PARTIES

Kathy Parker ("**Claimant**") was represented by James R. Florey, Jr., Esq., Englewood, Colorado.

Strategic Resource Management, Inc. ("**Respondent Strategic**"), William Moler and Catherine Moler (collectively as "**Respondents**") were represented by Jeffrey Scott, Esq., Krys Boyle Freedman Scott & Sawyer, Denver, Colorado.

CASE INFORMATION

The Statement of Claim was filed on or about June 3, 1996. Submission Agreement of Claimant Kathy Parker was signed on March 26, 1996.

Statement of Answer was filed by Respondents Strategic Resource Management, Inc., William Moler and Catherine Moler on or about September 10, 1996. Submission Agreement of Respondent Strategic Resource Management, Inc. was signed on September 10, 1996 by Catherine Moler. Submission Agreement of Respondent William Moler was signed on September 10, 1996. Submission Agreement of Respondent Catherine Moler was signed on September 10, 1996.

HEARING INFORMATION

The hearing was held on Tuesday, February 19, 1997 in Denver, Colorado for a total of three (3) sessions.

CASE SUMMARY

Claimant alleged that Respondents failed to pay her certain monies due her for her services to the firm. Specifically, Claimant alleged that she had not been paid:

- ▶ her share of an investment banking fee for the KLS Enviro Resources, Inc. transaction;
- ▶ compensation for her efforts in financial consulting, non-accountables and commissions relative to Rocky Mountain Crystal Water, Inc.;
- ▶ salary for the months of January and February, 1996 for performing due diligence and general operations duties;
- ▶ retail commissions earned up to her date of termination; and
- ▶ 50% of the trading profits from Pacific Diagnostic Technologies.

It was also alleged that the above stated claims constituted claims for wages pursuant to C.R.S. §8-4-101 *et seq.*

Respondent denied the allegations set forth in the Statement of Claim. Respondents specifically stated that Claimant was paid all monies due to her for her services. It was stated that there was not an agreement with Claimant to receive any portion of trading profits on any transactions; that the Claimant was paid the salary she was entitled to for her investment banking and corporate finance services; and that the Claimant was not entitled to any fee in connection with the Rocky Mountain Crystal Water, Inc. transaction in light of the fact that she has not earned any investment banking fees.

RELIEF REQUESTED

Claimant requested an award in the following amounts:

- ▶ \$2,500 constituting her share of the investment banking fee for the KLS Enviro Resources, Inc. transaction.
- ▶ \$42,100 for her efforts in financial consulting, non-accountables and commissions relative to Rocky Mountain Crystal Water, Inc.
- ▶ \$4,000 representing her salary for two months.
- ▶ unspecified retail commissions.
- ▶ approximately \$4,500 representing 50% of the trading profits from Pacific Diagnostic Technologies.
- ▶ \$3,345 for FICA expenses.
- ▶ a 50% penalty and attorneys' fees pursuant to C.R.S. §8-4-101 *et seq.*

Respondents requested that the claims asserted against them be dismissed and that they be awarded their costs and attorneys' fees.

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 original(s) 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. By admission of the Respondents during the course of the hearing, Respondent Strategic Resource Management, Inc. shall be and hereby is liable for and shall pay to the Claimant Kathy Parker the sum of \$25,355 (twenty five thousand three hundred fifty five dollars). This sum will be reduced by 50% of the fine assessed against Respondent Strategic Resource Management, Inc. and 50% of the attorneys' fees incurred by Respondents in connection with the Letter of Acceptance, Waiver and Consent No. C3A9700. All other claims for damages asserted against Respondent Strategic Resource Management, Inc. shall be and hereby are denied in their entirety.
2. Interest at the rate of 8% per annum is awarded on the above stated sum from and inclusive of January 1, 1996 to and inclusive of the date this award is paid.
3. All claims asserted against Respondents William Moler and Catherine Moler shall be and hereby are denied in their entirety.
4. Each party shall bear its own costs, expenses and fees, including attorneys' fees incurred in this matter not specifically enumerated herein.

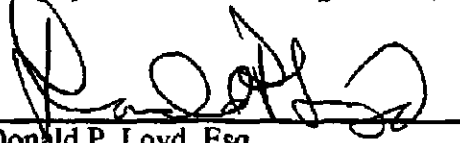
FORUM FEES

Forum fees are calculated at the rate of \$600 per hearing session and \$300 for each pre-hearing conference, if any. There were three (3) sessions x \$600 = \$1,800 in forum fees. Pursuant to §10205(b) 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 §10205(c) of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$500 previously deposited with NASD Regulation, Inc. Office of Dispute Resolution by the Claimant Kathy Parker. Claimant Kathy Parker had previously been granted a waiver of the hearing session deposit required

under §10205(a) of the NASD Code of Arbitration Procedure. Claimant Kathy Parker shall be and hereby is liable for and shall pay to the NASD Regulation, Inc. Office of Dispute Resolution the sum of \$900 as forum fees. Respondent Strategic Resource Management, Inc. shall be and hereby is liable for and shall pay to the NASD Regulation, Inc. Office of Dispute Resolution the sum of \$900 as forum fees.

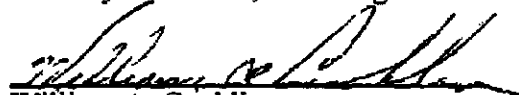
Pursuant to §10333 of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable member surcharge in the amount of \$300. **Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.**



Donald P. Loyd, Esq.
Industry Arbitrator, Presiding Chair

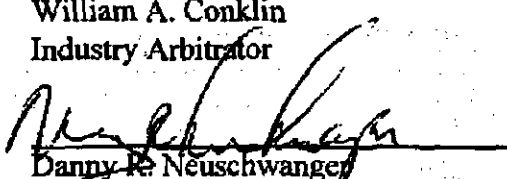
Dated:

2-19-97



William A. Conklin
Industry Arbitrator

2-19-97



Danny R. Neuschwanger
Industry Arbitrator

2/19/97