

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Gustav & Doris Prekopa

Claimants

vs.

Case #88-02914

AWARD

Merrill Lynch, Pierce, Fenner & Smith, Inc.,
William H. Zufall & Donald W. Walsh, Jr.

Respondents

CASE SUMMARY

Claimants Gustav & Doris Prekopa alleged Respondents failed to properly execute transactions in Claimants account in accordance with their instructions. Claimants further alleged Respondents liquidated their account in an untimely fashion and alleged the liquidation was unnecessary. Respondents maintained all transactions were expressly authorized and Claimants understood the risks inherent in the positions they took. Respondents further maintained the Claimants were fully informed that it was necessary that they satisfy their maintenance call or the positions in their account would be liquidated.

RELIEF REQUESTED

Claimants requested damages of \$98,868.25. Respondents requested dismissal of claim and that costs be assessed against Claimants.

AWARD

On August 3, 1989 said date representing two hearing sessions the undersigned arbitrators heard the controversy between the parties at the offices of the National Association of Securities Dealers, Inc. located in Cleveland, OH as set forth in submissions to arbitration signed by Claimants, Gustav & Doris Prekopa on August 17, 1988 and by Respondent, Merrill Lynch, Pierce, Fenner & Smith, Inc. on December 7, 1988 and by Respondent, William H. Zufall on November 21, 1988. The Statement of Claim was filed with the National Association of Securities Dealers, Inc. on September 15, 1988.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

- (1) The claims by the Claimants, Gustav & Doris Prekopa be and hereby are dismissed in all respects.
- (2) The parties shall each bear their respective costs including attorneys' fees.
- (3) Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimants. In addition, the Claimants, Gustav & Doris Prekopa be and hereby are liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Five Hundred Dollars and No Cents (\$500.00) to represent forum fees.

ARBITRATORS CONCURRING


ROBERT C. DEVLIN, ESQ.


JONATHAN I. KLEIN, ESQ.

Dated: September 18th, 1989


KENNETH MILLER