

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

FRITZ VARGA

Claimant (x)

vs.

PAINEWEBBER, INC.

PRUDENTIAL-BACHE SECURITIES, INC.

KENDALL L. DORSETT

Respondent(s)

AWARD

CASE NO. 88-03082

SUMMARY OF ISSUES

This case was filed ~~on~~ with the NASD on October 4, 1988.

Claimant alleged Respondents invested his funds in unsuitable ^{covered call} options trading, that the corporate Respondents failed to supervise the Respondent broker, and that the pattern of trading in Claimant's account precluded any opportunity for Claimant to make a profit.

Respondents denied that the trading in Claimant's account was unsuitable. Respondents asserted that Claimant's sole investment objective was speculation, and that he understood the risks of options trading. ^{corporate} Respondents asserted that the Respondent broker was supervised properly at all times, and that any losses sustained in the account were the result of ~~the~~ market activities.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages of \$7,894.80 from PaineWebber and Kendall Dorsett, \$7,482.53 from Prudential-Bache and Kendall Dorsett, interest on these amounts, and costs of arbitration.

Respondents requested dismissal of all claims.

DAMAGES AND RELIEF AWARDED

On February 28, 1990 in Los Angeles California,
the undersigned arbitrators heard the controversy in 2 sessions between
the parties as set forth in submissions to arbitration signed by
Claimant(x) on September 29, 1988, by PaineWebber
on January 19, 1989, by Prudential-Bache on
December 27, 1988, and by Kendall Dorsett on
and by Respondent(s) February 28, 1990.

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. All claims brought by Claimant
are dismissed.

2. The parties shall each bear their respective costs including attorneys' fees.


3. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. ("NASD") Code of Arbitration Procedure, the NASD shall retain ~~refund~~ the \$400.00 filing fee previously deposited by the Claimant.

OTHER ISSUES

ARBITRATORS CONCURRING

DATE SERVED: 03/12/90


MICHAEL D. DONAHUE, ESQ.


IRVING S. MICHELMAN


MITCHELL C. GREEN, ESQ.

~~ARBITRATORS DISSENTING~~
