

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between/Among *

Charlene Axelrod as Custodian for Deborah Axelrod *

& Robert Charles Axelrod *

Claimant(s) *

vs. *

Prudential-Bache Securities, Martin Krull and *

Jeffrey Krull *

Respondents. *

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CASE
#89-00231
AWARD

CASE SUMMARY

Claimant(s), Charlene Axelrod as Custodian for Deborah Axelrod and Robert Charles Axelrod, alleged that Respondent, Jeffrey Krull sold zero - coupon Treasury bonds and purchased shares of a high - load mutual bond fund without proper authorization. Claimants further alleged that they never received a prospectus for the Putnam High Income Government Trust ("Putnam") from the Respondents. Finally, Claimants alleged that the Putnam transaction was guaranteed in advance to be detrimental to the value of their accounts and beneficial only to Respondents'.

Respondent(s) maintained that Ms. Sara Crenshaw at all times held herself out to be the legal custodian of the accounts. Respondents further asserted that they executed these transactions pursuant to Ms. Crenshaw's express instructions and that Ms. Crenshaw is still the legal custodian of these accounts.

RELIEF REQUESTED

Claimant(s), Charlene Axelrod as Custodian for Deborah Axelrod and Robert Charles Axelerod, requested reversal of the disputed transactions and that the custody service fees of December 1987 and December 1988 be cancelled. Respondents, Prudential-Bache Securities, Inc., Martin Krull and Jeffrey Kull, requested that the Claimants' claims be denied in their entirety.

AWARD

The undersigned as the arbitrator selected to review and determine a matter in controversy between the Claimants and Respondents as set forth in submissions to arbitration signed by the Claimants, Charlene Axelrod as custodian for Deborah Axelrod & Robert Charles Axelrod, on April 3, 1989 and by the Respondent, Prudential Bache Securities, Inc., on July 5, 1989 and by Respondents, Martin Krull & Jeffrey Krull, on June 8, 1989.

Having reviewed and considered the pleadings of the Parties, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents shall reverse the trades made on September 24, 1986 in the two accounts, so as to put the accounts in status quo as of immediately prior to such trades being made.
2. Upon completion of the reversal Claimant may direct, in writing, the transfer of the accounts to another broker or account executive of her choice.
3. There shall be no reversal of the valid custody services fees from December 1, 1987 to date.
4. The parties each shall bear their respective costs including attorneys' fees.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain \$25.00 filing fee previously deposited by the Claimant.

CONCURRING ARBITRATOR


Harry A. Carson

DATED: August 20 , 1990