

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

:	In the Matter of the Arbitration Between	:
:		:
:	Richard A. Krause and	:
:	Leslie C. Krause	:
:		AWARD
:	Claimants	CASE #89-02252
:		:
:	vs.	:
:		:
:	Merrill Lynch Pierce Fenner	:
:	& Smith, Inc.	:
:		:
:	Respondent	:
:		:

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 11, 1989, Claimants Richard A. Krause and Leslie C. Krause alleged that Respondent through its employee entered them into investments that were unsuitable for them and made misrepresentations and false statements to the Claimants which Respondent knew or should have known were false and breached the fiduciary duty owed to the Claimants.

Claimants further alleged the Respondent failed to supervise its employee in an adequate and reasonable fashion. Respondent Merrill Lynch Pierce Fenner & Smith, Inc. maintained that no misrepresentations were made to the Claimants; the Claimants were given full disclosure and advice on their financial options; and were provided with a prospectus. Respondent Merrill Lynch Pierce Fenner & Smith, Inc. further maintained the investments at issue were suitable for the Claimants.

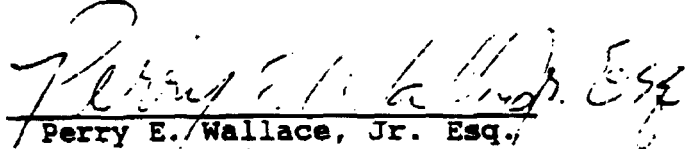
RELIEF REQUESTED

Claimants requested damages of \$17,165.19 together with the costs of this action. Respondent requested dismissal of the claim.

AWARD

On June 21, 1990 the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Richard A. Krause and Leslie C. Krause on July 28, 1989 and by Respondent Merrill Lynch Pierce Fenner & Smith, Inc. on October 19, 1989. 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. That the claim be and hereby is dismissed.
2. That the parties shall each bear their respective costs including attorneys' fees.
3. That pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant.


Perry E. Wallace, Jr. Esq.
Arbitrator

July 6th, 1990