



N.A.S.D. AWARD

Arbitration

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, New York 10004

CHICAGO BOARD OPTIONS EXCHANGE

In the Matter of the Arbitration Between

Name of Claimants

Michael W. & Paulette Walker

vs

91-00226

Name of Respondent

Prudential-Bache Securities Inc.

Heard before:

Name

Lawrence R. Bowers, Esq.

Public/Industry

Public

CASE SUMMARY

This claim was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on January 22, 1991. Claimants allege that the registered representative employed by Respondent advised him to trade in naked option in order to generate \$400.00 to \$500.00 per month with little risk. Claimants further allege that writing naked options which was unsuitable for him in light of his financial resources. Claimants further alleges that Respondent failed to make reasonable inquiry of their investment objectives, failed to advise him of the risk involved in writing naked options.

In a Statement of Answer filed with the NASD on March 04, 1991, Respondent denies the allegations and denies liability. Respondent contends that the investment was consistent with Claimants' stated objectives and they were advised of the risks involved.

RELIEF REQUESTED

Claimants request the arbitrator award them \$28,000.00.

Respondent requests that the arbitrator claim be denied and that costs associated with defending this action be assessed against Claimants.

AWARD

On May 1, 1991, in Boston, Massachusetts during a hearing lasting one session, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on March 06, 1991, and signed Respondent February 26, 1991.

The parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

After considering the pleadings, the testimony and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by the Claimants against Respondent are hereby denied;
2. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

1. The CBOE shall retain the \$400.00 filing fee previously deposited by the Claimant.

Concurring Arbitrator Signature

Lawrence R. Bowers

Lawrence R. Bowers, Esq.

Date of Decision: May 9, 1991

DATED BY NASD
MAY 15, 1991