

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Trelby Edwards

and

91-03254

Name of Respondent

Sam Pedraza

REPRESENTATION OF PARTIES

Claimant Trelby Edwards appeared pro se.

Respondent Sam Pedraza appeared pro se.

CASE INFORMATION

The Statement of Claim was filed on or about October 16, 1991. Claimant Trelby Edwards' Submission Agreement was signed on December 26, 1991.

Statement of Answer filed by Respondent Sam Pedraza on or about March 2, 1992. Respondent Sam Pedraza's Submission Agreement was signed on February 28, 1992.

HEARING INFORMATION

The hearing was held on Thursday, October 15, 1992 in Dallas, Texas for a total of one (1) session.

CASE SUMMARY

Claimant alleged that her account was mismanaged. Claimant stated that she informed Respondent Sam Pedraza that she knew nothing about stock and did not understand the terms put call or margin. Ms. Edwards stated that she agreed to give Mr. Pedraza an opportunity to prove himself, to sell certain stocks and reinvest the proceeds for a period of six months. Claimant stated that unless there was a sizeable return, she would take her money from Merrill Lynch, Pierce, Fenner & Smith, Inc.

Respondent Sam Pedraza denied the allegations set forth in the claim and stated that the claimant was experienced and understood margin. Mr. Pedraza stated that the claimant wanted to generate profits and that he recommended a covered writing program using Merrill Lynch, Pierce, Fenner & Smith, Inc.'s recommended options strategies only. Mr. Pedraza stated that he explained the program

to the claimant who stated that she understood the program. Mr. Pedraza further stated that the claimant knew what she was doing and that the losses complained of were a result of the October 1987 market collapse.

**RELIEF REQUESTED**

Claimant requested an award in the amount of \$22,955.25.

Respondent Sam Pedraza requested that the claims be dismissed.

**OTHER ISSUES CONSIDERED & DECIDED**

Prior to the commencement of the originally scheduled hearing date in this matter, Claimant requested leave to clarify her Statement of Claim to include Merrill Lynch, Pierce, Fenner & Smith, Inc. as a respondent in this matter. Subsequent to service of the Statement of Claim on Merrill Lynch, Pierce, Fenner & Smith, Inc., its' counsel requested a postponement of the original hearing date to prepare an Answer to the Claim and to prepare for hearing. The request was granted over the objection of claimant and claimant was granted leave to request reimbursement of any expenses incurred as a result of the postponement at the rescheduled hearing of this matter. Claimant and Respondent Merrill Lynch, Pierce, Fenner & Smith, Inc. reached a settlement prior to the hearing of this matter.

Respondent Sam Pedraza filed a Motion to Dismiss the claims arguing that the claims are barred by the applicable statutes of limitations. Ms. Edwards has not filed a response to the motion.

The parties have agreed that a handwritten, signed Award may be entered and to receive conformed copies of the award while the original remains on file with the NASD.

**AWARD**

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

1. The claims asserted herein shall be and hereby are dismissed in their entirety.
2. Each party shall bear its' own costs, expenses and fees incurred in this matter not specifically enumerated herein.


FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$100.00 and shall retain \$150.00 of the hearing session deposit in the amount of \$300.00 previously deposited with the NASD by the Claimant and Respondent Sam Pedraza shall pay to the NASD the sum of \$150.00 as forum fees.

Forum fees are calculated at the rate of \$300.00 per hearing session. Fees are payable to the National Association of Securities Dealers, Inc.

Dated:

October 15, 1992

  
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Marc A. Myrin, Esq.  
Presiding Chair  
Public Arbitrator