

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between :

Zoltan Balog :

Claimant :

vs. :

Moritz R. Hofstetter :  
A.G. Edwards & Sons, Inc. :

Respondents :

CASE #92-01223  
AWARD

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 8, 1992, Claimant Zoltan Balog, who appeared Pro Se, alleged that Respondent A.G. Edwards & Sons, Inc., through it's registered representative, Moritz R. Hofstetter, purchased various securities without his consent or authorization, and that because Respondent Moritz R. Hofstetter told him he would be sued if he didn't pay for the transactions, he paid for the securities. The Claimant further alleged that he suffered damages which are constituted by the commissions he paid for the unauthorized purchase and subsequent sales, and the loss sustained from the sale.

Respondents A.G. Edwards & Sons, Inc. and Moritz R. Hofstetter, in a joint statement of answer, through their in-house counsel, M. Jane Mateosian, Esq., maintained that the Claimant opened an account and placed orders to purchase American Nuclear Corp., Chronar Corp., Public Service Co. of New Hampshire, Star Technologies, Inc. and Wolverine Exploration Co. The Respondents contended that after the Claimant made these purchases, the prices declined slightly and he told Respondent Moritz R. Hofstetter that he wanted to use the money he was to send for the purchases for something else, but he paid for the purchases and then instructed Respondent Moritz R. Hofstetter to sell the securities and the proceeds were sent to him. The Respondents further maintained that the Claimant is attempting to renege on his purchase because the value of the securities declined after the purchase.

Respondents A.G. Edwards & Sons, Inc. and Moritz R. Hofstetter filed a Motion to Compel Production of Documents.

RELIEF REQUESTED

Claimant Zoltan Balog requested \$1,231.59 in actual damages.

Respondents A.G. Edwards & Sons, Inc. and Moritz R. Hofstetter requested the claims of the Claimant be dismissed and that they be awarded costs and attorney's fees.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Glenn H. Rosenthal, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 14, 1992, by the Respondent A.G. Edwards & Sons, Inc. on May 22, 1992 and by Respondent Moritz R. Hofstetter on May 22, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Zoltan Balog against Respondents A.G. Edwards & Sons, Inc. and Moritz R. Hofstetter are dismissed in their entirety.
2. The Motion to Compel Production of Documents filed by the Respondents A.G. Edwards & Sons, Inc. and Moritz R. Hofstetter is denied.
3. The parties shall bear their respective costs and attorney's fees.
4. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

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AFFIRMATION

I, GLENN H. ROSENTHAL, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
Signature of Arbitrator

DATE OF DECISION: October 23, 1992