

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Leonard D. & Helen Kraus TTEES/FBO Kraus

93-02888

Name of Respondent

Wedbush Morgan Securities

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 26, 1993, Claimants Leonard D. and Helen Kraus, who appeared Pro Se, alleged that Respondent Wedbush Morgan Securities failed to disclose premium and commission charges regarding their investments in Van Kampen Merritt California Municipal Funds #14, #16 & #29, as well as Nuveen California Tax Exempt Funds #13 and #145, and that the lack of disclosure has caused them to suffer damages for which the Respondent should be held liable.

Respondent Wedbush Morgan Securities, through its in-house representative, Marie E. Eaton, VP, Los Angeles, California, maintained that the Claimants were fully aware and advised of the sales charges, that they knew that sales charges were part of the cost of transactions, and that they paid such sales charges before. The Respondent contended that it has committed no wrong, and therefore the claims against it should be dismissed.

RELIEF REQUESTED

Claimants Leonard D. and Helen Kraus requested \$9,199.25 in actual damages.

Respondent Wedbush Morgan Securities requested that the claims of the Claimants be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

The Respondent Wedbush Morgan Securities submitted a Motion to Dismiss pursuant to Section 15 of the NASD Code of Arbitration Procedure. The Motion is denied.

The Respondent's request for a hearing is denied.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Bernard Segelin, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on August 9, 1993 and by the Respondent on September 20, 1993.

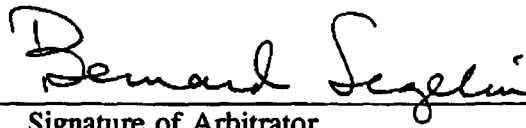
And, the Arbitrator, having considered the of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Wedbush Morgan Securities is liable and shall pay to Claimants Leonard D. and Helen Kraus \$1,653.00 in actual damages, plus simple interest at the rate of 10% per annum from July 28, 1988 to the date of payment of the award.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Leonard D. and Helen Kraus shall be retained by the NASD, Inc. Respondent Wedbush Morgan Securities is liable and shall pay \$150.00 to the Claimants as reimbursement of the filing fee.

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AFFIRMATION

I, **BERNARD SEGELIN, 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: September 30, 1994