

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimants

William W. and Elizabeth C. Hoeschle

93-05214

Name of Respondents

Leo James Roy  
Harry Warren Moses

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 20, 1993, Claimants William & Elizabeth Hoeschle, who appeared Pro Se, alleged that Respondent Leo James Roy, through A.G. Edwards & Sons, Inc. and under the supervision of Respondent Harry Warren Moses, failed to explain Puts to them and also suggested that they sell Calls on stock in their portfolio. The Claimants further alleged that the Respondents recommended purchases of IBM stock as well as selling Calls, which they did pursuant to these recommendations. The Claimants contended that the Respondents failed to adequately disclose risks, to fully explain option strategies, which they did not readily understand, and further that the Respondents failed to fully examine and explain all possible consequences of a proposed complicated transaction, and that, therefore the Respondents should be held liable in this matter.

Respondents Leo James Roy and Harry Warren Moses, in a Joint Statement of Answer filed through their counsel, Phyllis A. Hartrich, Esq. of A.G. Edwards & Sons, Inc., maintained that the Claimants were aware from the outset of the risks of profit and losses associated with options and stock trading and voluntarily assumed such risks, and further that the Claimants failed to act promptly in order to mitigate their damages. The Respondents further maintained that as a result of the Claimants' failure to notify the Respondents of the alleged acts and omissions of which they now complain, they are barred from recovering, and therefore the claims against them should be dismissed.

In a reply to the Answer, the Claimants refuted the defenses of the Respondents and again requested relief for damages they have incurred.

**RELIEF REQUESTED**

Claimants William W. Hoeschle and Elizabeth Hoeschle requested \$7,800.00 in actual damages plus interest and costs.

Respondents Leo James Roy and Harry Warren Moses requested that the claims of the Claimant be dismissed.

**AWARD**

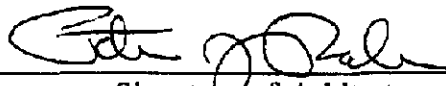
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Peter Dale, Esq, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on December 14, 1993, by the Respondent Leo James Roy on February 3, 1994 and by Respondent Harry Warren Moses on February 2, 1994.

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 Claimants William & Elizabeth Hoeschle against Respondents Leo James Roy and Harry Warren Moses are dismissed in their entirety.
2. The Claimants' request for interest is denied.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc.

**AFFIRMATION**

I, PETER DALE, 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.

  
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Signature of Arbitrator

DATE OF DECISION: July 18, 1994