

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Inna Bakker

95-01813

Name of Respondents

PaineWebber, Inc.
Harry Kroft

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on April 17, 1995, Claimant Inna Bakker ("Claimant"), who appeared Pro Se, alleged that Respondent PaineWebber, Inc., through its account representative, Respondent Harry Kroft ("Kroft"), mismanaged her IRA account. Claimant further alleged that every investment he made was due to Respondent Kroft's recommendation which she followed to her detriment. Claimant contended that the Respondents made unsuitable investments for her account and that transactions were made for the purpose of "piling up" commissions. Claimant further contended that she was taken advantage of because she didn't understand the financial world and as a result of the wrongdoing of the Respondents, she has suffered a loss for which the Respondents should be held liable.

Respondents PaineWebber, Inc. and Harry Kroft, through their representative and in-house counsel, Lisa Catalano Tillem, Esq., maintained that all of the investments purchased by Claimant were approved in advance by the Claimant and were reasonable in light of her express investment objectives, her age, income and net worth. Respondents further maintained that her account was not excessively traded and that she controlled her account at all times. Respondents contended that Claimant did not object to the management of her account for 5 1/2 years, and cannot make investments and file for arbitration for those that have not performed to her satisfaction, and further that they committed no wrongdoing and should not be held liable in this matter.

In a reply to the Answer, Claimant Inna Bakker refuted the defenses of the Respondents and reasserted her claim that due to churning, unsuitable investments and unethical mismanagement she has suffered damages for which the Respondents should be held liable.

OTHER ISSUES CONSIDERED AND DECIDED

The motion to strike Claimant's reply to Respondent's statement of Answer was denied. All pleadings were considered in this matter.

RELIEF REQUESTED

Claimant Inna Bakker, requested \$10,000.00 in actual damages.

Respondents PaineWebber, Inc. and Harry Kroft, requested that the claims of the Claimant Inna Bakker be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Neil J. Carey, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on April 6, 1995, and by the Respondent PaineWebber, Inc., on June 13, 1995, and by Respondent Harry Kroft on May 30, 1995.

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 Inna Bakker against Respondents PaineWebber, Inc. and Harry Kroft are dismissed in their entirety.
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 Claimant shall be retained by the NASD, Inc.

AFFIRMATION

STATE OF *CONNECTICUT*

} SS: *Stamford CT.*
}

COUNTY OF *Fairfield*

I, *NEIL J. CAREY*, 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.

Neil Carey

Signature of Arbitrator

DATE OF DECISION:

February 27, 1996