

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Thomas D. Brandi

96-01936

Name of Respondents

A.G. Edwards & Sons, Inc.  
Stephen Kovach

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CASE SUMMARY

In a case filed with the National Association of Securities Dealers Regulation, Inc. on May 6, 1996, claimant Thomas Brandi ("claimant"), who appeared Pro Se, alleged that respondents A.G. Edwards & Sons, Inc. ("Edwards") and Stephen Kovach ("Kovach") changed his investment options and strategy ("Edwards") without his knowledge. Claimant further alleged that his problems occurred when Kovach changed knowledge companies. Claimant also alleged that on December 9, 1994, Kovach sent him a letter about transferring Claimant's account. Claimant asserted that Kovach never mentioned changing investment options or strategies. Claimant further asserted that Kovach never mentioned a fee or charge to transfer his account. Claimant also asserted that in the letter, Kovach represented or it appeared to him that nothing would change excepted that in the future Kovach worked, so in good faith he signed the transfer papers. Claimant alleged that Kovach worked, decided to put him into the option market, without notifying him of the risk factors.

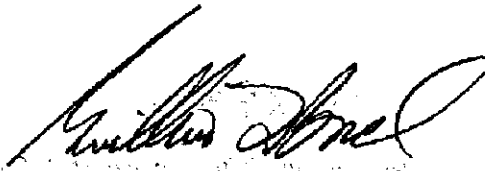
Claimant contended that he never received a follow up call discussing anything that was stated in Kovach's letter. Claimant further contended that over the next few months he received account statements that never listed his account balances. Claimant also contended that he figured he must be doing well since there was so much buying and selling occurring in his account. Claimant alleged that he recently called to check on his investment accounts and found out that his total balances was about five hundred dollars.

Respondents A.G. Edwards & Sons, Inc. and Stephen Kovach through their representative and in-house counsel Norman S. Buckvar, Esq., maintained that when Kovach and claimant first met, claimant told Kovach that he was willing to "take a chance" to receive a higher return, and that on a scale of one to ten that he was willing to take a risk tolerance that was ten. Respondents further maintained that claimant had indicated to Kovach that he wanted to trade stocks and options, but Kovach's old firm did not trade options. Respondents also maintained that when Kovach moved to Edwards, claimant asked him if Edwards traded options. Respondents contended that when Kovach told him that Edwards traded options, claimant said he wanted to open an options account.

**AFFIRMATION**

the individual described  
herein

I, **Guillermo Bosch**, do hereby affirm upon my oath as arbitrator that I am the individual  
herein and who executed this instrument, which is my oath and award.



**Guillermo L. Bosch, Esq.**

Date of Decision: **March 7, 1997**