

IN THE MATTER OF )  
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 Jeffrey A. Perlewitz, )  
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 Claimant, ) DECISION  
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 )  
 v. ) File No. 96 NM 09  
 )  
 )  
 Jasen Benton and )  
 )  
 A.G. Edwards & Sons, Inc., )  
 )  
 )  
 Respondents. )  
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For Claimant(s): Frank R. Terchan and Jeffrey S. Krause, Terschan, Steinle & Ness, Milwaukee, Wisconsin

For Respondent(s): Jeff Jamieson, A.G. Edwards & Sons, Inc., St. Louis, Missouri

Statement of Claim and Submission Agreement, filed on or about:	October 3, 1996
Answer, filed on or about:	November 6, 1996
Submission Agreement signed by Jasen Benton, filed on or about:	November 15, 1996
Submission Agreement signed by A.G. Edwards, filed on or about:	November 19, 1996

The named parties appeared at the hearing specified below, and had full opportunity to present arguments and evidence.

Date(s): July 1, 1997 No. of Sessions:2  
Location: Milwaukee, Wisconsin

## Summary of Issues

Jeffrey A. Perlewitz ("Claimant") alleges that on or about April 1, 1993, he signed a customer agreement and deposited \$30,000 with A.G. Edwards & Sons, Inc. ("Edwards") and Jason Benton ("Benton"), an Investment Broker employed by Edwards. Claimant further alleges that on or about May 19, 1994, the account was liquidated after various high risk trading strategies involving trading on margin in various stocks substantially depleted Claimant's account. Claimant asserts that Benton failed to invest the account in accordance with Claimant's investment objectives, failed to inform Claimant of the nature and consequences of margin trading, fraudulently and erroneously completed Claimant's New Account Card, and churned Claimant's account to generate commissions, among other things. Claimant asserts that Edwards failed to supervise the activities of Benton and failed to properly investigate the account when it was originally opened, among other things.

### **Relief Requested**

Claimant requests an award against Edwards and Benton in the amount of \$33,478.54 in compensatory damages (\$29,300 in refund of principle plus \$4,178.54 in refund of commissions paid), \$3,392.40 in interest and \$25,000 in punitive damages. Respondents request an award against Claimant for forum fees and reasonable costs and expenses incurred in the arbitration.

### **Award\***

After due deliberation and consideration of the hearing testimony, documentary evidence, and other submissions of the parties, the undersigned arbitrators, in full and final resolution of the matter in controversy, award as follows:

1. The claims are denied.
2. No award is rendered for alleged compensatory damages, interest, punitive damages, costs or expenses.

### **Forum Fees**

Pursuant to Chicago Board Options Exchange ("Exchange") Rule 18.33, the Arbitrators assess forum fees in the total amount of \$1,150 (\$150 filing fee plus \$1,000 (2 x \$500) hearing session fees) as follows:

1. Liability for the forum fees shall be divided equally between the parties.
2. Edwards and Benton, jointly and severally, shall pay to Claimant the sum of \$75 for fees previously deposited by Claimant.

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\* Pursuant to CBOE Rule 18.31, all monetary awards shall be paid within thirty (30) days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction.

3. Edwards and Benton, jointly and severally, shall pay to the Exchange the sum of \$500.
4. The Exchange shall retain the non-refundable filing fee in the amount of \$150 and the hearing session deposit in the amount of \$500 previously submitted by Claimant.

<u>/s/ Fredric R. Dichter</u> Fredric R. Dichter, Public Arbitrator & Chairperson	<u>07/30/1997</u> Date
<u>/s/ Rose Marie Baron</u> Rose Marie Baron, Public Arbitrator	<u>07/29/1997</u> Date
<u>/s/ Gregg Rzepczynski</u> Gregg Rzepczynski, Industry Arbitrator	<u>07/31/1997</u> Date