

**MSRB**  
MUNICIPAL SECURITIES RULEMAKING BOARD

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MSRB

In the Matter of the Arbitration Between  
ALBERT J. MOLTER and VIVIAN R. MOLTER,  
Claimants,  
v.  
A.G. EDWARDS & SONS, INC.,  
Respondent.

AWARD  
MS90-13  
SC0-008

The undersigned, pursuant to section 31 of MSRB rule G-35, hereby states as follows:

**CASE SUMMARY**

Claimants alleged that Respondent sold \$20,000 Pensacola, Florida Sanitation System Revenue Bonds to them at par as a new issue, but that when they received the official statement after their purchase of the bonds the price listed for the bonds therein was 99.029. Thus, they alleged they were overcharged on the transaction as a consequence of Respondent's negligence in failing to provide the official statement in a timely manner. They further alleged that, after they informed Respondent about the overcharge, Respondent's representative stated that the purchase was done in the secondary market and not in the original syndicate.

Respondent argued that it acquired the bonds from the underwriter at a price of 98.682 and sold to Claimants at par, representing a mark-up of 1.336. It argued that the mark-up met the "fair and reasonable" requirement of MSRB rule G-30. It also alleged that Claimants were satisfied with the yield and the price of par, and it argued that it is unlikely Claimants would have been able to purchase the bonds had Respondent not undertaken the risks and expenses of acquiring them to make them available.

**RELIEF REQUESTED**

Claimants requested that Respondent be ordered to pay to them \$194.00.

Respondent requested that Claimants' claim be dismissed and that all costs be assessed against them.

**AWARD**

The undersigned arbitrator reviewed the controversy between the parties set forth in submissions to the arbitrator signed by Claimants on February 7, 1990 (filed with the MSRB on February 12, 1990) and by Respondent on March 12, 1990.

The undersigned, having considered the matter solely upon the pleadings and evidence submitted by the parties, pursuant to section 34(f) of MSRB rule G-35, has determined, in full and final resolution of the issues submitted for determination, that, based upon the documentary evidence, particularly the original confirmation submitted to Claimants by Respondent along with the promise to provide the official statement which indicated that Claimants were purchasing the bonds as new issue municipal securities, Respondent shall pay to Claimants \$194.00.

Pursuant to MSRB rule A-16, section (2), the MSRB shall retain Claimants \$15 arbitration deposit.

Michael K. Wolensky  
Michael K. Wolensky

Dated: May 14, 1990

STATE OF Georgia  
COUNTY OF Fulton

ss.:

On this 14th day of May, 1990, before me personally appeared Michael K. Wolensky to me known and known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

Anne Turner

Notary Public, Fulton County, Georgia  
My Commission Expires Aug. 9, 1992