



SEP 11 1992

In the Matter of the Arbitration between :  
:   
WALTER F. WISCHHOVER C/F CHRISTOPHER : AWARD  
WISCHHOVER (A MINOR), :  
: Claimant, :  
:   
v. :  
: MS91-59  
THOMAS B. SAVILLE; THOMAS P. ENGLISH and : SC1-020  
MCLAUGHLIN, PIVEN, VOGEL SECURITIES, INC., :  
: Respondents. :  
:

The Undersigned, pursuant to Section 31 of MSRB Rule G-35, hereby states as follows:

#### CASE SUMMARY/RELIEF REQUESTED

Claimant alleges that, in or about October, 1989, Claimant sold through Respondent Thomas B. Saville of Respondent McLaughlin, Piven, Vogel Securities Inc. ("Respondent MPV") \$165,000 face amount of certain Washington Public Power Supply System bonds ("WPPSS bonds") and purchased \$165,000 face amount of certain Illinois Housing Development Authority bonds ("Illinois bonds") for the accounts of his various grandchildren, great grandchildren and nephews. Claimant alleges that \$35,000 face amount of the WPPSS bonds were sold and \$35,000 face amount of the Illinois Bonds were purchased for the account of his great grandson Christopher Andrew Wischhover. Claimant alleges, among other things, that \$10,000 face amount of the Illinois bonds were never delivered to Claimant and that the Illinois bonds that were delivered were incorrectly entered in the children's accounts. Claimant also alleges, among other things, that on or about January 1, 1991, he received a stop payment notice applying to nine interest coupons of the Illinois bonds and that he later personally delivered said coupons to Respondent MPV to obtain payment for them. Claimant seeks an award consisting of the "actual cash value" of the \$10,000 Illinois bonds that allegedly were not delivered, plus interest thereon at the rate of 6.00% from September 1, 1989, to the date of settlement of this matter, plus "stop payment coupon interest" on nine coupons and interest thereon at 6.00%. The total principal and interest requested as of the date the claim was filed was \$10,696.50.

Respondents argue, among other things, that Claimant purchased only \$30,000 face amount of the Illinois bonds, not \$35,000. Respondents also argue that \$5,000 face amount of the Illinois bonds were called on December 1, 1989, and that a check

which included the \$5,000 redemption value of the called bond was mailed to Claimant on December 18, 1989. Respondents argue, therefore, that Claimant's claim for principal and interest on the allegedly undelivered \$10,000 Illinois bonds is unfounded. Respondents also argue, among other things, that a stop payment was placed on four coupons of the Illinois bonds, not nine, and that the stop payment later was released. Respondent MPV denies that Claimant ever delivered said coupons to Respondent MPV. Respondents contend that Claimant may present said coupons to the paying agent for cash redemption or, if Claimant has lost the coupons, he may complete certain forms provided by Respondent MPV to obtain replacements.

#### AWARD

The undersigned arbitrator reviewed the controversy between the parties set forth in submissions to the arbitrator signed by Claimant on August 2, 1991 (filed with the MSRB on September 9, 1991); by Respondent MPV and Respondent Thomas P. English on November 14, 1991; and by Respondent Thomas B. Saville on December 12, 1991. The undersigned, having considered the matter solely upon the pleadings and written evidence submitted by the parties, pursuant to section 34 of MSRB rule G-35, has determined, in full and final resolution of the issues submitted for determination, as follows:

1. Respondent MPV shall pay to Claimant \$7,341.50 within 20 days from receipt of this award, pursuant to section 31(e) of MSRB rule G-35.
2. Claimant's claims against Respondent Thomas B. Saville and Respondent Thomas P. English have not been established and are dismissed.
3. Claimant's \$200 arbitration deposit shall be retained by the MSRB as forum fees, pursuant to MSRB rule A-16.

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Public Arbitrator

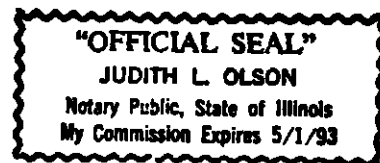
Dated: *September 16, 1992*

STATE OF *Illinois*  
COUNTY OF *Lake*

SS.:

On this *16<sup>th</sup>* day of *September*, 19*92*, before me personally  
appeared \_\_\_\_\_ 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.

*Judith L. Olson*





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M.S.R.B.

In the Matter of the Arbitration between	:	
	:	
WALTER F. WISCHHOVER C/F CHRISTOPHER	:	MEMORANDUM OF
WISCHHOVER (A MINOR),	:	ARBITRATOR'S
	:	OPINION
Claimant,	:	
v.	:	
	:	MS91-59
THOMAS B. SAVILLE; THOMAS P. ENGLISH and	:	SC1-020
MCLAUGHLIN, PIVEN, VOGEL SECURITIES, INC.,	:	
Respondents.	:	

The undersigned, in response to a request from Respondent McLaughlin, Piven, Vogel Securities, Inc. ("Respondent MPV") for the reasons for the award rendered in the above matter, hereby states as follows:

Respondent MPV's argument to the arbitrator both pre and post award is understood to be that they supplied equivalent market value bonds for the bonds surrendered by the Claimant. The redeemed bond brings the payment up to the market value equivalent to the bonds surrendered. This argument does not meet Claimant's contention that the transaction was to be for equivalent face value bonds.

The Claimant's contention was not denied or met by Respondent MPV and was believed and accepted by the arbitrator. Accordingly, the award included compensation for \$5,000 face value bonds not delivered, plus interest thereon.

Also included in the award are some interest coupons which I concluded were lost by Respondent MPV, plus interest thereon.

Public Arbitrator

Dated: November 25, 1992

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Bradford S. Allen

Dated: *September 16, 1992*