

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between :
: Judith Drachman : AWARD
: Claimant : #88-02931
vs. :
: Prudential Bache Securities, Inc. :
Gary Price : Respondents
:-----

Case Summary

Claimant Judith Drachman alleged that Respondents Prudential Bache Securities, Inc. and Gary Price misrepresented the risks of option trading in her account and churned the account sustaining trading losses.

Respondent Prudential Bache Securities, Inc. maintained that Claimant was not advised that the options transactions in her account were presented as safe and Claimant was fully informed of and ratified all trading in the account.

Relief Requested

Claimant requested damages in the amount of \$82,481.94 plus interest and administrative costs and fees. Respondents requested that the claim of the Claimant be dismissed.

Award

On March 5, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Judith Drachman on August 27, 1988 and by Respondent Prudential Bache Securities, Inc. on March 5, 1990. A Submission Agreement and Statement of Answer was not filed by Respondent Gary Price as required by Sections 12 and 25 of the Code of Arbitration Procedure (Code), and the NASD was not able to affect service upon Gary Price. Gary Price did not appear at the hearing on March 5, 1990. Pursuant to Section 29 of the Code, the panel determined that they would go forward with the hearing.

The hearing was held in New York City and consisted of 2 sessions. The arbitrators, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Prudential Bache Securities, Inc. is liable and shall pay to the Claimant Judith Drachman the sum of Thirty Thousand Four Hundred Sixty Eight Dollars and Fifty Cents (\$30,468.50).
2. The parties shall each bear their respective costs including attorney fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$500.00 filing fee previously deposited by the Claimant. Respondent Prudential Bache Securities, Inc. is assessed forum fees in the amount of \$1,000.00 payable to the NASD, Inc. through its staff administrator in accordance with Section 43 of the Code of Arbitration Procedure.

CONCURRING ARBITRATORS

/s/
Allen Kilik

/s/
Henry H. Balter

/s/
Joan Caridi