

Served
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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
John and Rose Ferrera,)	
)	
Claimants)	Case #88-03735
vs.)	Award
Prudential-Bache Securities,)	
and Richard Sarro,)	
)	
Respondents)	

CASE SUMMARY

Claimants allege that Respondents without authorization liquidated their portfolio which was transferred from another brokerage firm, purchased new positions, and placed them on margin. Claimants further allege that Respondents made false statements about the performance of Western Union upon which they relied to their detriment, and promised to match the commissions charged by Fidelity Brokerage. Claimants contend that these acts were committed in violation of Section 10b of the Exchange Act and Rule 10b-5 thereunder, Section 9 of Massachusetts General Law, Common law fraud and negligence. Claimants also assert a claim for intentional infliction of emotional distress.

Respondents deny the allegations of wrongdoing and allege that they executed the trades in accordance with the Claimants' instructions. Respondents further allege that they did not promise to match the commissions charged by some other brokerage firm; rather, they agreed to lower the commissions. Respondents also allege nine Affirmative Defenses.

RELIEF REQUESTED

Claimants request that the panel award them damages in the amount of \$170,000, commissions paid, lost interest, damages for the intentional infliction of emotional distress, costs and attorney's fees. Respondents request that the panel dismiss the claim in its entirety.

AWARD

On December 11 and 12, 1989 and January 8, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in a submission to arbitration signed by Claimant, John and Rose Ferrera, on

December 1, 1988 and by Respondents, Prudential-Bache Securities, Inc. and Richard Sarro, on February 14, 1989, respectively. The hearing was conducted in Boston, Massachusetts and consisted of six sessions. The arbitration panel, 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:

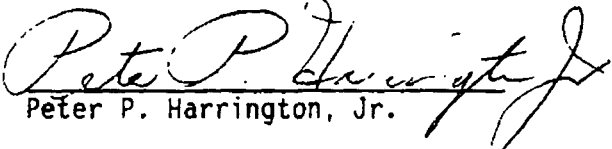
1. Respondents, Prudential-Bache Securities and Richard Sarro, are hereby jointly and severally liable to the Claimants and shall pay Claimants the amount indicated below.
2. With respect to Western Union, Claimants are awarded One Thousand Nine Hundred Eighty-Seven Dollars and Ninety-Eight Cents (\$1,987.98), plus interest in the amount of Nine Hundred and Eighty-Six Dollars and Ninety One Cents (\$986.91) from January 9, 1986 through March 1, 1990.
3. Claimants are awarded Five Thousand Two Hundred and Eighty-One Dollars and Zero Cents (\$5,281.00), plus interest of Two Thousand Four Hundred and Sixty-Eight Dollars and Ninety Cents (\$2,468.90) from April 7, 1986 through March 1, 1990.
4. The claim for damages resulting from the intentional infliction of emotional distress is denied.
5. All other claims are denied.
6. The parties shall each bear their respective costs including attorneys' fees.
7. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$750.00 filing fee previously deposited by the Claimant.
8. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall assess Prudential-Bache Securities, Inc. \$3,750.00 in forum costs.
9. As set forth above, the total sum due Respondents to Claimants is Ten Thousand Seven Hundred and Twenty-Four Dollars and Seventy-Nine Cents (\$10,724.79), including interest.

OTHER ISSUES

Subsequent to the submission of post-hearing memoranda by the parties, Claimants requested that the panel allow them to correct errors in the prices of a few securities indicated in their post-hearing memorandum. Respondents objected based upon the fact that the new memorandum does not only correct errors in the prices of securities, but rather increased the damage calculation. This arbitration panel granted Claimants' request.

CONCURRING ARBITRATORS

Philip M. Giordano



Peter P. Harrington, Jr.

Lucy S.S. Sun

Dated: March 23, 1990

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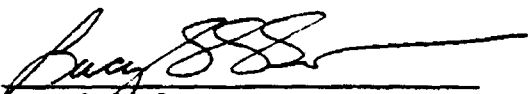
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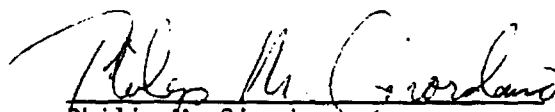
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