

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

IN THE MATTER OF THE ARBITRATION BETWEEN :
 :
Walter & Marilyn Grace :
 :
 : Claimants : Case #89-00861
 :
vs. : AWARD
 :
 :
 :
Prudential-Bache Securities, Inc. and :
Charles T. Giambrone :
 :
 : Respondents :

CASE SUMMARY

This proceeding was commenced initially on March 20, 1989 by Claimants Walter and Marilyn Grace against Respondents Prudential-Bache Securities, Inc. ("Pru-Bache") and Charles T. Giambrone ("Giambrone"). Claimants assert that Respondents are liable for certain losses incurred in his accounts while Giambrone was employed at Pru-Bache. Specifically, Claimants allege that Giambrone made unauthorized trades in his account in connection with the purchase of Lorimar Film Partners, L.P. and the sale of the Rockwell International shares. Claimants additionally allege that the Respondents failed to properly administer to the deposits in his IRA account, and that the Respondent Pru-Bache is responsible for the losses suffered for failing to properly supervise the activity of its broker.

Respondents deny any breach of duty and liability owed to Claimants with respect to the accounts. Respondents essentially contend that the purchases and sales were authorized by the Claimants. Respondents further deny any misconduct related to the IRA accounts.

RELIEF REQUESTED

Claimants request an amount in excess of \$66,550.00 together with interest, reasonable attorney fees, punitive damages and costs.


Respondents request that the claim be dismissed with prejudice in its entirety.


AWARD

On February 7, 1990, said dates representing two hearing sessions in Atlanta, Georgia, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant and Respondent herein. 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. The Respondent Prudential-Bache Securities, Inc. shall be liable and shall pay to the Claimants Walter and Marilyn Grace the amount of Ten Thousand Dollars and No Cents (\$10,000.00).
2. The parties shall each bear their respective costs including attorney's fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimants as costs of the initial hearing session conducted in this matter.

ARBITRATORS CONCURRING


KENNETH O. SIMON


HARTWELL D. HOOPER


RALPH BORNHEIM

DATED: March 30th, 1990