

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Julie Mezydlo)	
)	
Claimant)	
)	AWARD
vs.)	
)	NASD # 89-01178
)	
Prudential-Bache Securities,)	
Inc. and Ernest M. Dill)	
)	
Respondents)	

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on April 20, 1989. Claimant alleged that Respondents breached the implied and written agreements between the parties by failing to monitor Claimant's account and keep her aware of the account balances and buying power in her margin account which resulted in a margin call. Claimant further alleged breach of fiduciary duty, misrepresentation, negligence, and violation of exchange, NASD, and regulatory rules.

Respondents denied the allegations and maintained that Claimant was a sophisticated investor who largely directed her own trading and whom requested and received a 50% commission discount. Respondents further maintained that Claimant was fully aware of the positions in her account and that she received confirmations of all trades as well as monthly statements setting forth the margin debt in the account, the securities positions, and all transactions. Respondents further maintain that Claimant did not complain of the activity in her account until she incurred losses in October 1987 as a result of the Stock Market Crash.

DAMAGES AND RELIEF REQUESTED

Claimant requested general damages in the sum of \$350,000.00, punitive damages of \$500,000.00, attorneys' fees and costs.

Respondents requested dismissal of the claim and costs.

DAMAGES AND RELIEF AWARDED

On November 8, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on April 4, 1989 and by Respondent Prudential-Bache Securities, Inc. on July 19, 1989. Respondent Ernest M. Dill did not file a submission agreement but is subject to the jurisdiction of this arbitration pursuant to Section 1 and 12 of the Code of Arbitration Procedure and appeared at the hearing voluntarily. The hearing was conducted in Los Angeles, California and lasted two (2) 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 as follows:

1. All claims are hereby denied.
2. The parties shall each bear their respective costs including attorneys' fees.
3. In accordance with Section 43 of the NASD Code of Arbitration Procedure:
 - a) the NASD shall retain the \$1,000.00 filing fee previously deposited by Claimant; and
 - b) Prudential-Bache Securities, Inc. is assessed a sum equal to the filing fee in the amount of \$1,000.00 representing forum fees to be paid to the NASD directly.

OTHER ISSUES

The parties stipulated to the execution and service of the award in counterpart copies.

ARBITRATORS CONCURRING

Thomas E. Shuck

Gordon C. Stubbs
Gordon C. Stubbs

DATE SERVED: 12/19/90

William C. Richardson

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Thomas E. Shuck 12-10-90

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