

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)
)
GARY R. and ROBERT J. SNYDER.)
)
) Claimants.) Case 89-02074
vs.) Award
)
)
PRUDENTIAL-BACHE SECURITIES, INC.)
and CRAIG ADAMS,)
) Respondents.)

Heard before the members of the Arbitration Panel:

Casey W. Mills, Esq.
Elizabeth L. Clark
Anthony S. Paetro, Esq.

CASE SUMMARY

This claim was filed with the NASD, Inc. on July 24, 1989. The hearing was conducted in Fort Lauderdale, Florida on June 26 and 27, and July 24, 1990, with a total of six sessions.

Claimants, Gary and Roberta J. Snyder ("Snyders"), alleged that Respondents, Prudential-Bache Securities, Inc. ("Bache") and Craig Adams ("Adams"), an authorized agent and employee of Bache, solicited the transfer of Claimants' account to Bache; made misrepresentations of material facts and omitted to state material facts; induced Claimants to make speculative and unsuitable investments in option funds and option strategies; churned the account; violated Section 10b of the Exchange Act; Section 517.301, Florida Statutes; and, that Respondents' actions constituted fraud, breach of fiduciary duty, and negligence.

Respondents denied all allegations of wrongdoing; alleged that Claimants' account was managed in accordance with Claimants' investment goals, primary of which was increased income; that Adams attempted to limit Claimants' exposure to risk; and, that losses were due to market forces beyond the control of Respondents.

RELIEF REQUESTED

Claimants requested damages in the amount of \$81,485.00, interest from October 30, 1987 through June 30, 1987 in the amount of \$16,297.00, plus \$26.79 per diem thereafter; costs; punitive damages in the amount of \$244,455.00; attorney's fees; and, other relief. Respondents requested dismissal, costs and expenses.

AWARD

On June 26 and 27, and July 24, 1990, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on March 31, 1989, and by Respondent Bache on June 13, 1990 and by Adams on June 14, 1990. 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 parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD, Inc.
2. Respondents, Bache, is found liable and shall pay to Claimants the amount of Seven Thousand Five Hundred and 00/100 (\$7,500.00) Dollars.
3. Respondents, Bache and Adams, are found liable, jointly and severally, and shall pay to Claimants the further amount of Seven Thousand One Hundred Eighty Nine and 00/100 (\$7,189.00) Dollars.
4. Respondents, Bache and Adams, are found liable, jointly and severally, and shall pay to Claimants the further amount of Two Thousand Four Hundred Two and 00/100 (\$2,402.00) Dollars for costs.
5. Claimants' request for attorney's fees is denied.
6. Claimants' request for punitive damages is denied.
7. Respondents' request for costs and expenses are denied.
8. Pursuant to Section 43 of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of Four Thousand Five Hundred and 00/100 (\$4,500.00) Dollars (six sessions x \$750.00). Claimants are hereby assessed forum fees in the amount of Two Thousand Two Hundred Fifty and 00/100 (\$2,250.00) Dollars, for which the NASD, Inc. shall retain the Seven Hundred Fifty and 00/100 (\$750.00) Dollar filing fee in partial satisfaction thereof. Respondents are hereby assessed forum fees in the amount of Two Thousand Two Hundred Fifty (\$2,250.00) Dollars.
9. The NASD, Inc. shall refund (credit) the One Hundred and 00/100 (\$100.00) Dollar postponement fee deposited by the Respondents for the postponement requested for June 26 and 27, 1990 which was denied.

10. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

None

ARBITRATORS CONCURRING

Casey W. Mills Esq., Elizabeth L. Clark and Anthony S. Paetro Esq.

Received this 8th day of August 1990.