

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Eileen Weiss and Dorothy Perelman

89-02738

Name of Respondent(s)

Prudential-Bache Securities Inc.
Mark Vavruska
Vincent Ruma
John Arango

CASE SUMMARY

Claimants, Eileen Weiss and Dorothy Perelman, alleged that Respondents, Prudential-Bache Securities, Inc. ("Pru-Bache"), Mark Vavruska ("Vavruska"), Vincent Ruma ("Ruma"), and John Arango ("Arango"), made misrepresentations regarding the suitability of securities being recommended and traded concerning options, failed to properly execute orders and that Respondent Pru-Bache failed to properly supervise the trading in Claimants' account. Claimant Eileen Weiss also asserted that she suffered intentional and/or negligent infliction of emotional distress resulting from Respondents' actions.

Respondents maintained that Claimants voluntarily decided to invest in options trading, frequently called in unsolicited orders, and that Claimants understood the risks of options trading. Respondents also averred that Claimants' losses resulted from an unprecedented plunge in the Market and not from Respondents' actions or inactions.

RELIEF REQUESTED

Claimants, Eileen Weiss and Dorothy Perelman, requested actual damages in the amount of \$77,740.00 and punitive damages in the amount of \$100,00.00, plus interest and attorney's fees. They also requested that all improper transactions be rescinded. Respondents requested dismissal of all claims made against them, plus costs.

AWARD

On July 11, 1990 and July 12, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimants, Eileen Weiss and Dorothy Perelman, on September 28, 1989, and by the Respondents, Pru-Bache, Ruma, Vavruska, and Arango on December 21, 1989, December 20, 1989, December 20, 1989 and December 20, 1989, respectively.

The hearings were held in Cleveland, Ohio at the Marriott Hotel on July 11, 1990, at the NASD, Inc. on July 12, 1990 and consisted of six (6) sessions. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearings, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Pru-Bache, Vavruska and Arango, jointly and severally, are found liable to Claimants for compensatory damages of Fourteen Thousand Five Hundred Forty and 38/100 Dollars (\$14,540.138). Claimants are not entitled to any award of punitive damages;
2. All claims against Respondent Ruma are resolved in favor of said Respondent and are dismissed;
3. The parties shall each bear their respective costs, including attorneys' fees;
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$1,000.00 filing fee previously deposited by the Claimant;
5. Respondents Pru-Bache, Vavruska and Arango are assessed all forum fees in the amount of \$5,000.00 payable to the NASD, Inc. through its staff counsel in accordance with Section 43 of the Code of Arbitration Procedure;

ARBITRATORS CONCURRING

_____/s/_____
Benjamin B. Segal, Esq.

_____/s/_____
Thaddeus J. Shalek

_____/s/_____
John N. Stamatis

DATED: August 23rd, 1990