

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

 : In the Matter of the Arbitration Between :
 : :
 : Sloan M. Colton :
 : Claimant : CASE# 90-02166
 : vs. :
 : :
 : Prudential Bache Securities, Inc. :
 : Lee R. Fleischman :
 : Evan R. Collins, Jr. :
 : Respondents :

Heard before:

Allen Kilik

Public Arbitrator

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 8, 1990, Claimant Sloan M. Colton alleged the Respondents Prudential Bache Securities, Inc., Lee R. Fleischman and Evan R. Collins, Jr. failed to follow her instructions and written investment objectives; made unauthorized trades in her account; failed to disclose material facts; made investments in her account which were excessive in size; made improper transactions in Mutual Funds; handled her account as discretionary without authorization; made unsuitable investments in limited partnerships and in speculative stock and alleged the Respondent Prudential Bache Securities, Inc. failed to properly supervise its employees. Respondents Prudential Bache Securities, Inc., Evan R. Collins, Jr. and Lee R. Fleischman maintained Mr. Fleischman discussed each and every trade with the Claimant prior to execution and Claimant authorized all trades in her accounts. Respondents further maintained all recommendations made to the Claimant were made in good faith and with the knowledge that Claimant met the suitability requirements for the investment and the Claimant had full knowledge of the rewards and risks associated with these investments and she had prior investment experience. Respondents further maintained all losses incurred by the Claimant were due to her own negligence and/or unfavorable market conditions beyond the control of the Respondents.

RELIEF REQUESTED

Claimant requested that she be placed in the same position she would have been had the transactions in question never occurred and requested punitive damages of \$10,000.00 plus the costs of the arbitration. Respondents requested dismissal of all claims and that the arbitrator grant such other relief as justice may require.

AWARD


On February 11, 1991 the undersigned arbitrator heard the controversy ~~between the parties as set forth in submissions to~~ arbitration signed by Claimant Sloan M. Colton on August 3, 1990 and by Respondent Prudential Bache Securities, Inc. on February 11, 1991 and by Respondents Lee R. Fleischman and Evan R. Collins, Jr. on February 11, 1991. The hearing was conducted at the offices of the National Association of Securities Dealers, Inc. located in New York City, NY and consisted of two (2) hearing sessions. The arbitrator, 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 Claimant Sloan M. Colton shall assign all her rights, title and interest including cash present in the account in Prudential Bache Securities, Inc. account number OWC-127065-40 to the Respondent Prudential Bache Securities, Inc. and the Respondent Prudential Bache Securities, Inc. be and hereby is liable and shall pay to the Claimant the sum of Ten Thousand Dollars and No Cents (\$10,000.00), inclusive of interest.
2. The Claimant Sloan M. Colton shall assign all her rights, title and interest including cash present in the account in Prudential Bache Securities, Inc. account number OWC-R02001-40 to the Respondent Prudential Bache Securities, Inc. and the Respondent Prudential Bache Securities, Inc. be and hereby is liable and shall pay to the Claimant the sum of Ten Thousand Dollars and No Cents (\$10,000.00), inclusive of interest in such form that shall enable the Claimant to roll the funds into a new IRA account.
3. The parties shall each bear their respective costs, including attorneys' fees.

FORUM FEES

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 Claimant. In addition, the Respondents Prudential Bache Securities, Inc., Lee R. Fleischman and Evan R. Collins be and hereby are liable jointly and severally and shall pay to the National Association of Securities Dealers, Inc. the sum of Two Hundred Dollars and No Cents (\$200.00) to represent forum fees.

ARBITRATOR SIGNATURE



Allen Kilik

Date of Decision: February 15, 1991

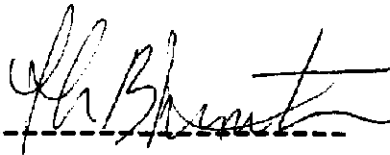
Dated by the NASD: February 21, 1991

STATE OF NEW JERSEY

S.S:

COUNTY OF ESSEX

On this 15th day of February, 1991, before me personally appeared Allen Kilik to me be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

A handwritten signature in cursive script, appearing to read 'H. B. Monteiro', is written over a horizontal dashed line.

HELENA B. MONTEIRO
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES APRIL 7, 1991