

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration BetweenName of Claimant

Laurence J. Luckman

90-02929

Name of RespondentsPrudential Bache Securities, Inc.  
Glenn Malloff

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REPRESENTATIONFor Claimant: Gail Whittamore, Esq. of the law firm  
of Brandeis, Bernstein & Wasserman.

For Respondents: Paul Giappone, Esq.

CASE INFORMATION

Statement of Claim filed: October 1, 1990.

Claimant's Submission Agreement signed on: September 26, 1990.

Joint Statement of Answer filed by Respondents on: January 21, 1991.

Respondent Prudential Bache Securities, Inc.'s Submission Agreement signed  
on: January 18, 1991.Respondent Glenn Malloff's Submission Agreement signed on: September 19,  
1991.HEARING INFORMATIONHearing Dates and Sessions: September 19, 1991, 2 sessions.  
September 20, 1991, 2 sessions.Hearing Location: Offices of the National Association  
of Securities Dealers, Inc. in New  
York City, NY.

#### CASE SUMMARY

Claimant alleged that Respondents invested Claimant's funds in options although the Claimant had no background in options trading, no understanding of the risks involved and no knowledge of options strategies and Respondents failed to advise Claimant of the risks of options trading or the risks inherent in a margin account. Claimant further alleged the Respondents churned the Claimant's account, engaged in a course of trading which was unsuitable for the Claimant, engaged in a series of unauthorized trades in Claimant's account, failed to make adjustments in Claimant's account that were promised would be made and breached the fiduciary duty owed the Claimant.

Respondents Prudential Bache Securities, Inc. and Glenn Malloff maintained the Claimant represented that his investment objective was speculation and that he had ten years investment experience in stocks and bonds and two years experience in options trading and before margin and option trading was undertaken in the account, Respondent Glenn Malloff ensured that the Claimant executed the proper documentation and discussed with the Claimant the advantages and risks inherent in option trading and the Claimant made the decision to engage in margin and option trading to increase the growth of his portfolio. Respondents further maintained the Claimant received confirmations for each and every trade that was authorized by him and he was aware of the trades he authorized, made informed investment decisions and ratified each trade executed in the account. Respondents further maintained the Claimant's complaint is a transparent attempt to hold Prudential Bache Securities, Inc. accountable for the losses Claimant sustained as a result of his own choice of investment strategies and decisions.

#### RELIEF REQUESTED

Claimant requested damages in his Statement of Claim of \$105,000.00 and at the hearing amended his Claim to the sum of \$37,860.00 together with interest, reasonable attorneys' fees, punitive damages and the costs and disbursements of the proceeding.

Respondents requested that a decision be entered dismissing the Statement of Claim in its entirety.

#### AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The Claimant's claim be and hereby is dismissed in its entirety.
2. The parties shall bear their respective costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

4 sessions X \$750.00 = \$3,000.00, minus hearing session deposit  
of \$750.00 = net \$2,250.00.

The Respondents Prudential Bache Securities, Inc. and Glenn Malloff be and hereby are liable jointly and severally and shall pay to the National Association of Securities Dealers, Inc. the sum of \$2,250.00 to represent forum fees. The National Association of Securities Dealers, Inc. shall retain the \$200.00 claim filing fee previously deposited by the Claimant.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATORS' SIGNATURE

Name

Public/Industry

Allen Kilik  
Allen Kilik, Esq.

Public Arbitrator

Mary Jo Marchisello  
Mary Jo Marchisello

Public Arbitrator

John T. McGuire  
John T. McGuire, Esq.

Industry Arbitrator

Date of Decision: October 14, 1991

STATE OF *NY*  
COUNTY OF *NY*

S.S:

On this *30<sup>th</sup>* day of *September*, 1991, before me personally appeared Allen Kilik known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

*Jill A. Vile*  
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JILL A. VILE  
NOTARY PUBLIC, State of New York  
No. 487011  
Qualified in Nassau County  
Commission Expires Dec. 15, 1992

STATE OF  
COUNTY OF

S.S:

On this *30<sup>th</sup>* day of *October*, 1991, before me personally appeared Mary Jo Marchisello known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

*Amy R. Borodach*  
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AMY R. BORODACH  
Notary Public, State of New York  
No. 24-4926269  
Qualified in Kings County  
Commission Expires April 4, 1992

STATE OF  
COUNTY OF

S.S:

On this *7* day of *OCTOBER*, 1991, before me personally appeared John T. McGuire known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

*Margaret C. Spruozmann*  
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MARGARET C. SPRUOZMANN  
Notary Public, State of New York  
No. 24-4926269  
Qualified in Kings County  
Commission Expires April 4, 1992