

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between
Name of Claimants

John K. Brigden, Trustee
for John K. Brigden
1978 Revocable Trust Dated 2/3/78

NASD #90-02977

Name of Respondent(s)

Prudential-Bache Securities, Inc.

REPRESENTATION

For Claimant: David N. Mahler, Mahler & Associates, Newport Beach, California.

For Respondent: Stephen Young, Esq., Keesal Young & Logan, Long Beach, California.

CASE INFORMATION

Statement of Claim filed: October 23, 1990

Amended Statement of Claim filed: September 18, 1991

Claimant's Submission Agreement signed: October 19, 1990

Statement of Answer filed by Respondent: January 18, 1991.

Answer to Amended Statement of Claim filed: October 22, 1991.

Respondent's Submission Agreement signed: January 14, 1991.

HEARING INFORMATION

Hearing Date/Sessions: November 13, 1991 - 2 sessions
November 14, 1991 - 2 sessions

Hearing Location: San Diego, California

CASE SUMMARY

Claimant alleged breach of contract, fraudulent and negligent misrepresentation and breach of fiduciary duty arising out of the circumstances in which his Logicon common stock was liquidated to meet margin requirements after the October 1987 market crash.

Respondent denied all allegations of wrong-doing and asserted that case law upholds a brokerage house's right to liquidate undermargined accounts based upon a customer agreement so long as good faith is shown.

RELIEF REQUESTED

Claimant requested compensatory damages of \$361,966.14, plus interest, costs of arbitration, and punitive damages.

Respondent requested dismissal of all claims, and an award of costs of arbitration and attorney's fees.

AWARD

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

1. Respondent is liable for and shall pay to Claimant the sum of \$26,431 inclusive of interest.
2. The claim for punitive damages is dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$750 hearing deposit previously made by the Claimant. Respondent shall reimburse Claimant for this hearing deposit, and in addition Respondent is assessed \$2,250 in forum fees payable to the National Association of Securities Dealers, Inc. This represents forum fees for 4 sessions at \$750 per session assessed to Respondent.

ARBITRATION PANEL

Public/Industry
Public
Public
Industry

ALL:

Thomas J. Hensinger

DATE SERVED: 12/18/91

Date of Decision: Nov. 4 1991