

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Thorn C. Huffman  
4th & Goal Corporation  
Mary H. Huffman  
Clifton E. & Jean E. Huffman

91-00542

Name of Respondents

Prudential-Bache Securities, Inc.  
Rick Martin

REPRESENTATION

For Claimants: pro se.

For Respondents: Paul Giapponi, Esq. of Prudential Securities, New York, New York.

CASE INFORMATION

Claimant's Statement of Claim filed: February 19, 1991.

Claimants Thorn Huffman and Mary Huffman, as individuals, and Claimant 4th & Goal Corporation's Submission Agreements signed on: February 1, 1991.  
Claimants Clifton Huffman and Jean Huffman's Submission Agreements signed on: January 29, 1991.

Joint Statement of Answer filed by Respondents on: April 15, 1991.

Respondent Prudential Securities's Submission Agreement signed on: April 12, 1991. Respondent Rick Martin's Submission Agreement signed on: June 4, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: March 26, 1992 for three (3) sessions.  
March 27, 1992 for three (3) sessions.

Hearing Location: Oklahoma City, Oklahoma.

#### CASE SUMMARY

Claimants alleged that they suffered substantial losses when they took the advice of Respondent Prudential-Bache ("Pru-Bache") and its senior analyst, Respondent Rick Martin ("Martin") and purchased Unisys Corporation common and preferred stock. Claimants further alleged that Martin strongly recommended the Unisys stock to the Pru-Bache broker, and the broker then recommended the stock to the Claimants. Claimants alleged that they lost 80% of their investment in less than 90 days due to Martin's irresponsible recommendation of the stock.

Respondents denied entirely each and every allegation contained in the Statement of Claim. Respondents alleged that Claimant Thorn Huffman is a sophisticated businessman and investor, and that he was free to accept or reject Martin's recommendations. Respondents further alleged that they never characterized the Unisys stock as a "can't miss idea."

#### RELIEF REQUESTED

Claimants requested that Respondents be liable and pay the Claimants for the actual losses incurred in the Unisys trades plus interest, filing fees, arbitration costs, out-of-pocket expenses and legal fees, and also for damages for the lost opportunities the Claimants have suffered over the 20 months from the date of the Unisys purchases through the date of the panel's decision.

Respondents requested that the Statement of Claim should be dismissed in its entirety, and the Respondents be awarded the costs of having to defend the action.

#### OTHER ISSUES CONSIDERED & DECIDED

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.

The Claimants submitted a Request to Amend the Amount of Relief in their Statement of Claim and the Respondents submitted a Response thereto. At the hearing, the panel granted the Claimant's Motion To Amend their Request For Relief.

At the hearing, the Respondents motioned for summary dismissal. The panel denied the Respondent's Motion for Summary Dismissal.

**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 Statement of Claim shall be and hereby is denied in its entirety;
2. Each of the parties shall bear their own costs and expenses, including attorney's fees, other than those specifically enumerated herein.

**FORUM FEES**

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

6 sessions X \$400 = \$2400 minus hearing session deposit of \$400 = net \$2000 due.

Forum fees Assessed Against Claimants and Respondents as follows: The Claimants, jointly and severally, shall pay to the NASD hearing session fees in the amount of \$1000.00. The Respondents, jointly and severally, shall pay to the NASD hearing session fees in the amount of \$1000.00.

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

By The Arbitration Panel:

May 4, 1992

s/s Dennis Boxeur, Esq., Chairman  
Presiding Chair  
Public Arbitrator

May 19, 1992

Frank Molenda, Esq.  
Public Arbitrator

May 5, 1992

Michaela Myers  
Industry Arbitrator

NASD decision rendered: May 26, 1992