

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Joseph and Louisa Zullo

91-00544

Name of Respondents

Janney Montgomery Scott, Inc.
Adrienne Bauer

REPRESENTATION

For Claimants: Robert J. Donaghy, Esq.

For Respondents: Richard S. Israel, Esq. of the law firm of
Archer & Greiner

CASE INFORMATION

Statement of Claim filed: February 20, 1991.

Claimants' Submission Agreement signed on: February 8, 1991.

Joint Statement of Answer filed on: March 20, 1991.

Respondents' Submission Agreement signed on: April, 1991.

HEARING INFORMATION

Hearing Date and Sessions: August 7, 1991, 2 Sessions.

Hearing Location: Offices of the NASD in Philadelphia, PA.

CASE SUMMARY

Claimants, Joseph and Louisa Zullo ("Claimants"), alleged that the Respondents, Janney Montgomery Scott, Inc. and Adrienne Bauer (collectively, "Respondents"), failed to inform the Claimants of the nature of the risks associated with their trading activities and that Respondents purchased poorly-rated stocks, scores and options for the Claimants' account which were unsuitable for them in light of their financial situation and contrary to their stated investment objectives. Further, Claimants alleged that Respondents churned their account and continually misrepresented to them the status and value of their account.

Respondents denied that they caused Claimants to suffer any financial losses or other damages. Respondents contended that the Claimants maintained control over the types and number of

trades in their account, and that all trades were conducted with the Claimants' knowledge and at their direction.

RELIEF REQUESTED

Claimants requested actual damages in excess of \$30,000.00, plus interest, costs and punitive damages. Respondents requested dismissal of all claims made against them.

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. All claims against Respondents Janney Montgomery Scott, Inc. and Adrienne Bauer be and hereby are dismissed in their entirety.
2. The parties each shall bear their respective costs, including attorneys' fees.

FORUM FEES

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

2 sessions x \$400.00 = \$800.00

The NASD shall retain the \$520.00 previously deposited by the Claimants (\$120.00 of which was the non-refundable claim filing fee), and the Respondent Janney Montgomery Scott, Inc. be and hereby is liable and shall pay to the NASD the sum of \$400.00.

In addition, the Respondent Janney Montgomery Scott, Inc. be and hereby is liable and shall pay to the Claimants the sum of \$520.00 to offset the filing fees previously deposited by the Claimants.

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

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ARBITRATORS SIGNATURES

Name

Public/Industry

____/s/_____
Donald L. Bruton

Public Arbitrator

____/s/_____
Bruce W. Brown

Industry Arbitrator

____/s/_____
Richard B. Laden

Public Arbitrator

Date of Decision: August 22, 1991

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ARBITRATORS SIGNATURES

Name

Public/Industry

Donald L. Bruton 8/15
Donald L. Bruton

Public Arbitrator

Bruce W. Brown

Industry Arbitrator

Richard B. Laden

Public Arbitrator

Date of Decision: _____

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Name

Public/Industry

Donald L. Bruton

Public Arbitrator


Bruce W. Brown

Industry Arbitrator

Richard B. Laden

Public Arbitrator

Date of Decision: August 7, 1991

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ARBITRATORS SIGNATURES

Name

Public/Industry

Donald L. Bruton

Public Arbitrator

Bruce W. Brown

Industry Arbitrator


Richard B. Laden

Public Arbitrator

Date of Decision: 1 August 1991