

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

---

**In the Matter of the Arbitration Between**

**Name of Claimants**

**Theresa Cahill and Francis Weber**

**91-01477**

**Name of Respondents**

**Prudential Securities Inc  
Steven Sless**

---

**REPRESENTATION**

For Claimants Theresa Cahill and Francis Weber ("Claimants"): Anthony J. Hom, a sole practitioner.

For Respondents Prudential Securities, Inc. ("PS") and Steven Sless ("Sless"): Marc Durant of PS.

**CASE INFORMATION**

Statement of Claim filed: May 6, 1991.  
Claimant's Submission Agreement signed on: May 6, 1991.

Joint Statement of Answer filed by Respondents on: July 23, 1991.  
Respondent PS's Submission Agreement signed on: August 16, 1991.  
Respondent Sless's Submission Agreement signed on: Sless did not execute a submission agreement as required pursuant to Section 12 of the Code of Arbitration Procedure ("Code").

**HEARING INFORMATION**

Hearing Dates/Sessions: January 13, 1992/2 sessions  
January 29, 1992/2 sessions  
February 10, 1992/2 sessions  
Hearing Location: NASD, Philadelphia, PA.

**CASE SUMMARY**

Claimants alleged Sless executed unauthorized transactions; made a material misrepresentation regarding the Spanos Partnership investment ("Spanos"); that Claimant Cahill never received a prospectus for Spanos; that the Spanos investment was unsuitable; and that PS breached its fiduciary duty to Claimant Cahill.

AWARD  
#91-01477  
Page Two

Respondents alleged Claimants' account was handled in accordance with the "Know Your Customer" rule of the New York Stock Exchange and the "Suitability" rule of the National Association of Securities Dealers, Inc. ("NASD"); that Claimant Cahill authorized all of the transactions that caused losses alleged in the Statement of Claim; that Claimants understood the risk associated with the investments; and that Claimant Cahill authorized accepted and/or ratified each of the transactions.

**RELIEF REQUESTED**

Claimants requested: actual damages in the amount of \$40,000.00; interest from the date of the loss to the date of the Arbitration hearing of twelve (12%) percent; costs; and punitive damages.

Respondents requested: the Statement of Claim be dismissed in its entirety with prejudice; and costs.

**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.

1- Pursuant to the by-laws of the NASD, the arbitration panel determined that Respondent Sless was required to submit to this arbitration and, therefore, is bound by this panel's rulings and determinations.

**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- Claimants shall have the opportunity to rescind the purchase of twenty (20) shares of Prudential-Bache/A.G. Spanos Genesis Income Partnership L.P. 1 for the total price of \$20,000.00. Claimants shall notify Respondent, PS of such election to rescind on or before May 1, 1992 in a writing addressed to Ron Jamison, Associate V.P., Prudential Securities, 127 John Street, New York, New York 10292-0311. If Claimants elect to rescind, Respondent PS shall prepare and provide to Claimants, within twenty (20) days of receipt of Claimants' written election to rescind, all documents necessary to effect the transfer of said

AWARD

#91-01477

Page three

twenty (20) shares. PS shall pay to Claimants the sum of \$20,000.00 within fifteen (15) days of receipt of the prepared documents as executed by Claimants.

If Claimants do not notify PS of their election to rescind on or before May 1, 1992, such right to election shall be deemed to be irrevocably lost and destroyed and any other claims with respect to said twenty (20) shares shall be deemed waived;

2- Claimants claims against Sless are denied;

3- All other claims are denied;

4- Each party shall bear their own expenses, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$120.00 non-refundable filing fee and the following Forum Fees are assessed.


6 sessions X \$400.00 = \$2,400.00 minus hearing session deposit of \$400.00 net \$2,000.00 due.

Forum fees Assessed Against:

1- Respondent PS in the amount of \$2,000.00. PS shall also pay to Claimants the sum of \$400.00 to represent the hearing session deposit.

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

Concurring Arbitrators' Signatures

  
John J. Jordan Public Arbitrator  
Date: March 18, 1992

AWARD

#91-01477

Page three

twenty (20) shares. PS shall pay to Claimants the sum of \$20,000.00 within fifteen (15) days of receipt of the prepared documents as executed by Claimants.

If Claimants do not notify PS of their election to rescind on or before May 1, 1992, such right to election shall be deemed to be irrevocably lost and destroyed and any other claims with respect to said twenty (20) shares shall be deemed waived;

2- Claimants claims against Sless are denied;

3- All other claims are denied;

4- Each party shall bear their own expenses, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$120.00 non-refundable filing fee and the following Forum Fees are assessed.

6 sessions X \$400.00 = \$2,400.00 minus hearing session deposit of \$400.00 net \$2,000.00 due.

Forum fees Assessed Against:

1- Respondent PS in the amount of \$2,000.00. PS shall also pay to Claimants the sum of \$400.00 to represent the hearing session deposit.

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

Concurring Arbitrators' Signatures

  
Mary Ann M. Melchiorre/Industry Arbitrator

Date: March 18, 1992

AWARD

#91-01477

Page three

twenty (20) shares. PS shall pay to Claimants the sum of \$20,000.00 within fifteen (15) days of receipt of the prepared documents as executed by Claimants.

If Claimants do not notify PS of their election to rescind on or before May 1, 1992, such right to election shall be deemed to be irrevocably lost and destroyed and any other claims with respect to said twenty (20) shares shall be deemed waived;

2- Claimants claims against Sless are denied;

3- All other claims are denied;

4- Each party shall bear their own expenses, including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$120.00 non-refundable filing fee and the following Forum Fees are assessed.

6 sessions X \$400.00 = \$2,400.00 minus hearing session deposit of \$400.00 net \$2,000.00 due.

Forum fees Assessed Against:

1- Respondent PS in the amount of \$2,000.00. PS shall also pay to Claimants the sum of \$400.00 to represent the hearing session deposit.

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

Concurring Arbitrators' Signatures

  
Ellen K. Burrows/Public Arbitrator

Date: March 18, 1992