



## N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
NASD Financial Center  
33 Whitehall Street  
New York, N.Y. 10004  
FAX (212) 858-4389

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In the Matter of the Arbitration BetweenName of Claimant

Edon Corporation Defined Benefit et al.

91-02127

Name of Respondents

Prudential Securities Inc  
James G. Gertz  
Richard S. Ginsburg

REPRESENTATION

For Claimant Edon Corporation Defined Benefit & Trust, Edwin Axel, Trustee ("Claimant"): Leonard Spear, Esq. of Spear, Wilderman, Borish, Endy, Browning.

For Respondents Prudential Securities, Inc., James G. Gertz and Richard S. Ginsburg ("Respondents"): Kimberly Unger, Esq. of Prudential Securities, Inc.

CASE INFORMATION

Statement of Claim filed: July 11, 1991.

Claimant's Submission Agreement signed on: July 8, 1991.

Joint Statement of Answer filed by Respondents on: September 25, 1991.

Respondents did not submit submission agreements for this arbitration.

HEARING INFORMATION

Pre-Hearing Conference: none held.

Hearing Dates/Sessions: March 10, 1992 - two sessions  
March 26, 1992 - one session

Hearing Location: Philadelphia, Pennsylvania

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#### CASE SUMMARY

Claimant alleged that Respondents placed Claimant in unsuitable, speculative investments. Claimant alleged that Respondent Richard S. Ginsberg ("Ginsburg") executed unauthorized trades in the account. Claimant specifically alleged that on March 11, 1991, Ginsburg purchased 100 IBM call options without the authority to make this purchase. Claimant alleged that although Edwin Axel ("Axel"), the account's trustee, specifically ordered Ginsburg to stop trading in the account, Ginsburg did not. Claimant alleged that Respondents intentionally churned the account.

Respondents denied each and every allegation asserted by the Claimant. Respondents maintained that Axel controlled the trust's account and that he was a sophisticated investor who directed the trades in the account. Respondents maintained that the stated investment objective of the account was to engage in aggressive trading in common stocks options and short selling of securities. Respondents maintained that each and every trade conducted in Claimant's account was authorized. Respondents denied Claimant's allegation of churning. Respondents Prudential Securities, Inc. and James Gertz maintained that both Claimant's account and Ginsburg were properly supervised. Respondents asserted a cross claim against Axel for indemnification for breaching his fiduciary duties owed to the trust.

#### RELIEF REQUESTED

Claimant requested compensatory damages in an amount in excess of \$112,235.89 and punitive damages in amount to be determined by arbitrators.

Respondent requested that the claim be dismissed in its entirety and that costs be awarded in their favor.

#### 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 original(s) remain on file with the NASD.

Pursuant to Section 12(a) of the Code of Arbitration Procedure and the by-laws of the NASD, the arbitrators determined that Respondents were required to submit to arbitration, notwithstanding their failure to execute a submission agreement, the arbitrators exercised their authority over the Respondents and the Respondents are bound by the arbitrators rulings.

The arbitrators on March 9, 1992, dismissed all claims asserted by Claimant against Respondent James G. Gertz.

AWARD

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

1. That all claims asserted by the Claimant are denied in their entirety.
2. That each party shall bear their respective costs including attorneys' fees.
3. All other claims and cross claims, including claims for punitive damages, are denied in their entirety

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, forum fees for the three hearing sessions conducted in this matter are assessed against Respondent Prudential Securities, Inc. The cost per hearing session in this matter is \$750 and three hearing sessions were conducted so that the hearing session fees equal \$2250; however, Prudential is entitled to offset this amount with its hearing session deposit of \$750 so that the amount due from Prudential is \$1500.

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

Concurring Arbitrator's Signature

Name

Public/Industry

Roy B. Steenhoff  
Roy B. Steenhoff

PUBLIC

Date of Decision: MAR. 26, 1992

NASD Date of Decision: April 21, 1992

AWARD

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

1. That all claims asserted by the Claimant are denied in their entirety.
2. That each party shall bear their respective costs including attorneys' fees.
3. All other claims and cross claims, including claims for punitive damages, are denied in their entirety

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

Concurring Arbitrator's Signature  
Name

Roger L. Dietz

Public/Industry  
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Date of Decision: April 21, 1992

AWARD

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

1. That all claims asserted by the Claimant are denied in their entirety.
2. That each party shall bear their respective costs including attorneys' fees.
3. All other claims and cross claims, including claims for punitive damages, are denied in their entirety

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

Concurring Arbitrator's Signature

Name

  
Richard B. Laden

Public/Industry

Public

Date of Decision:

13 April 1992

NASD Date of Decision: April 21, 1992