

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
: Pickering Insurance Services Money :
Purchase Pension Plan :
: Claimant :
: CASE #92-00059
vs. : AWARD
: Linsco/Private Ledger Corp. :
Charles Porrello :
: Respondents :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 7, 1992, Claimant Pickering Insurance Services Money Purchase Pension Plan through its representative, Randy Pickering, alleged that Respondents Linsco/Private Ledger Corp. and Charles Porrello executed a purchase on behalf of the Claimant of 30,000 shares of MAXICARE stock, that was coming out of bankruptcy and that a few weeks later the stock was worthless. The Claimant further alleged that he had explicitly instructed Respondent Charles Porrello to purchase new issues of the stock, which he did not, causing this loss.

Respondents Linsco/Private Ledger Corp. and Charles Porrello represented by their in-house counsel, Jonathan A. Boynton, maintained that at the time of the transaction, the stock was going through a reorganization, and that what was being traded were old shares to be converted into rights to new shares; new shares were not yet traded. The Respondent further maintained that the Claimant's representative, Randy Pickering is a licensed registered representative who is aware of risks in trading on tips from friends and investments in penny stock, and that although they feel it is unfortunate that he suffered a loss, he should have to bear the loss of his own decisions.

RELIEF REQUESTED

Claimant, Pickering Insurance Services Money Purchase Pension Plan requested \$2,500.00 in actual damages.

Respondents, Linsco/Private Ledger Corp. and Charles Porrello requested the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Raymond R. Prazen, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 27, 1992, by the Respondent Charles Porrello on March 18, 1992 and by Respondent Linsco/Private Ledger Corp. on May 26, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimant Pickering Insurance Services Money Pension Plan against Respondents Linsco/Private Ledger Corp. and Charles Porrello are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, RAYMOND R. PRAZEN, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: September 2, 1992