



N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Arbitration

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

In the Matter of the Arbitration Between

Name of Claimants

Gary Loupassakis and Joyce Loupassakis

92-00606

Name of Respondents

Prudential Securities Inc
Jeffrey Moruzzi
Nunzio Garzino

REPRESENTATION

For Claimants Gary Loupassakis and Joyce Loupassakis ("Claimants"): Carl Mazzie, of Foster & Mazzie.

For Respondents Prudential Securities ("Prudential") and Nunzio Garzino ("Garzino"): David W. Schmidt, a sole practitioner.

Respondent Moruzzi was not represented by counsel, nor did he appear at the hearing.

CASE INFORMATION

Statement of Claim filed: February 19, 1992.

Claimants' Submission Agreement signed on: November 11, 1991.

Joint Statement of Answer filed by Respondents Prudential and Garzino on: April 22, 1992.

Joint Amended Statement of Answer filed by Respondents Prudential and Garzino on: April 24, 1992.

Respondent Prudential's Submission Agreement signed on: April 21, 1992.

Respondent Garzino's Submission Agreement signed on: June 29, 1992.

As required, pursuant to Section 25 of the Code of Arbitration Procedure, Respondent Moruzzi did not file a Statement of Answer or Submission Agreement.

AWARD
#92-00606
Page two

HEARING INFORMATION

Hearing Date/Sessions: January 12, 1993/2 sessions
Hearing Location: NASD/New York, NY.

CASE SUMMARY

Claimants alleged that during May 1990, Moruzzi contacted Gary Loupassakis ("Loupassakis") concerning stock investments. Claimants alleged Moruzzi did not advise Loupassakis which stock would be purchased, but advised him the investment would require approximately \$50,000.00. Claimants alleged Moruzzi made unauthorized purchases of L.A. Gear, Inc. stock. Loupassakis alleged that when he was advised of the investments, he instructed Moruzzi to sell the shares. Claimants alleged that Moruzzi called Loupassakis and stated that unless Loupassakis told Garzino, Moruzzi's supervisor, that the purchases were authorized by him, Moruzzi would lose his job. Claimants alleged that as Loupassakis had a long standing relationship with Moruzzi, and based upon Moruzzi's representation that Loupassakis would be made whole, he agreed to Moruzzi's suggestion. Claimants alleged Respondents Moruzzi and Garzino acted in concert to mislead Loupassakis. Claimants alleged Prudential was aware of Moruzzi's unauthorized trading, and was negligent in their failure to supervise Moruzzi and Garzino. Claimants alleged Prudential was negligent in its hiring of Moruzzi in that it failed to adequately investigate his background and previous employment.

Respondents Prudential and Garzino alleged that all orders to purchase and sell were entered with prior knowledge and authority of Claimants. Respondents maintained that assuming unauthorized trades occurred in the account, Claimants would not have sustained losses had they acted responsibly to undo the alleged unauthorized trades. Respondents further asserted Claimants never informed Garzino of Moruzzi's allegedly improper activity and that Claimants received confirmations of all trades. Respondents maintained Claimants' allegations that the trades were unauthorized and that Moruzzi was negligently supervised were without merit and that they handled Claimants' accounts correctly.

RELIEF REQUESTED

Claimants requested: actual damages in the amount of \$55,471.78, plus pre-judgment interest; and loss of investment income or reasonable return of their investment.

Respondents requested: Claimants' demand for damages be denied; and costs.

AWARD
#92-00606
Page three

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 arbitrators have determined they will not consider any matters regarding the arbitration Bensinger v. Prudential Securities et al.

Pursuant to the bylaws of the NASD, the arbitrators have determined that Respondent Moruzzi 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 and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimants Gary Loupassakis and Joyce Loupassakis are denied;
2. All other claims are denied;
3. Each party shall bear its own expenses, except that Respondents Prudential, Garzino and Moruzzi are hereby liable, jointly and severally, and shall reimburse Claimants the sum of \$250.00. Said amount to represent Claimants partial payment of their hearing session deposit previously deposited by Claimants.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$150.00 non-refundable filing fee previously paid by Claimants and the following Forum Fees are assessed.

2 sessions X \$500.00 = \$1,000.00 minus hearing session deposit of \$500.00 = net \$500.00 due.

Forum fees Assessed Against:

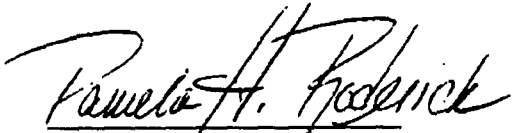
1. Claimants Gary Loupassakis and Joyce Loupassakis are hereby liable, in the amount of

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

AWARD
#92-00606
Page four

\$250.00; however, in lieu of further payment, the NASD shall retain the sum of \$250.00. Said amount to represent part of the hearing session deposit previously deposited by Claimants.

Arbitrator Signature

A handwritten signature in cursive script, reading "Pamela H. Roderick".

Pamela H. Roderick, Public Arbitrator

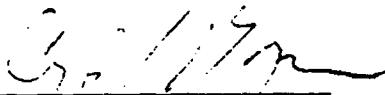
Date of Decision: March 19, 1993

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

AWARD
#92-00606
Page four

\$250.00; however, in lieu of further payment, the NASD shall retain the sum of \$250.00. Said amount to represent part of the hearing session deposit previously deposited by Claimants.

Arbitrator Signature



Cynthia L. Boyce/Public Arbitrator

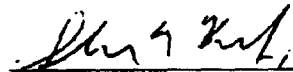
Date of Decision: March 19, 1993

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

AWARD
#92-00606
Page four

\$250.00; however, in lieu of further payment, the NASD shall retain the sum of \$250.00. Said amount to represent part of the hearing session deposit previously deposited by Claimants.

Arbitrator Signature

 As Arbitrator
Stuart N. Kingoff/Industry Arbitrator

Date of Decision: March 19, 1993

STATE OF

COUNTY OF

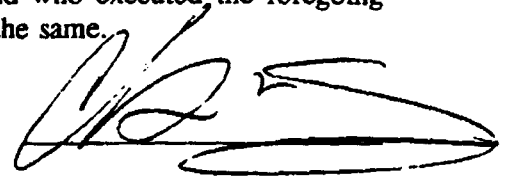
On this 2nd day of March, 1993, before me personally appeared Pamela H. Roderick known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that she executed the same.

Susan J. Unger

SUSAN J. UNGER
NOTARY PUBLIC, State of New York
No. 4971387
Qualified in Nassau County
Commission Expires September 4, 1994

STATE OF STATE OF NEW YORK
 COUNTY OF NEW YORK
COUNTY OF

On this *15* day of *MARCH*, 1993, before me personally appeared Cynthia L. Boyce known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that she executed the same.

A handwritten signature in black ink, appearing to read 'Charles M. Cerny', with a long horizontal flourish extending to the right.

CHARLES M. CERNY
Notary Public, State of New York
No. 31-4925858
Qualified in New York County
Commission Expires Apr. 4, 1994

STATE OF *New York*
COUNTY OF *New York*

On this *3d* day of *March*, 1993, before me personally appeared Stuart N. Kingoff known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Susan J. Linger

SUSAN J. LINGER
NOTARY PUBLIC, State of New York
No. 497 027
Qualified in New York
Commission Expires *December 1994*