

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Marion H. Randolph, Jr.

92-00976

Name of Respondent

Prudential Securities Inc.

REPRESENTATION

For Claimant: Marion H. Randolph, Jr.

For Respondent, Prudential Securities, Inc.: Debbie C. Stone, Esq.

CASE INFORMATION

Statement of Claim filed: March 19, 1992.

Claimant's Submission Agreement signed on: March 10, 1992.

Statement of Answer filed by Respondent, Prudential Securities, Inc. on: May 4, 1992.

Respondent, Prudential Securities Inc.'s Submission Agreement signed on: April 30, 1992.

HEARING INFORMATION

Hearing Date/Sessions: October 22, 1992 - One Session.

Hearing Location: Hampton Inn - Atlanta, Georgia.

CASE SUMMARY

Claimant alleges that his broker, Ronald Keese, ("Keese") who worked for the Respondent, Prudential Securities, Inc. ("Prudential") recommended that he purchase a stock called "Cheers" (Southern Star). Claimant alleges that Keese told him that the stock would increase in price and that based on Keese's recommendation, he bought the stock on margin. Claimant alleges that he bought the stock on margin because Keese told him that when the stock became listed on the Vancouver Stock Exchange, he could sell some of the stock to pay off the margin balance.

Claimant alleges that the stock decreased in value and was never listed on the exchange. Claimant also alleges that he incurred margin interest. Claimant alleges that Keese was one of the local owners of the company and that Keese misrepresented to him that the stock would be listed on the exchange.

Respondent maintains that the Claimant is a sophisticated investor. Respondent maintains that Claimant contacted Keese and requested Keese to purchase the shares for his account. Respondent maintains that Keese never made any promises to the Claimant regarding the price of the stock. Respondent denies that Keese suggested to the Claimant that he purchase the shares on margin but that in fact, he advised Claimant not to purchase the shares on margin.

Respondent maintains that Keese denies any connection with the company in question, except that he is a shareholder.

RELIEF REQUESTED

Claimant requested damages in the amount of \$8,329.00.

Respondent requested that the Claim be dismissed.

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 remains on file with the NASD.

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) Respondent, Prudential Securities, Inc. is hereby liable and shall pay to the Claimant the sum of \$6,308.25. (SIX THOUSAND THREE HUNDRED EIGHT DOLLARS AND TWENTY FIVE CENTS).

FORUM FEES

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

Non-refundable filing fee:	\$75.00
Hearing Session Deposit:	\$200.00

Total forum fees in the amount of \$275.00 are hereby assessed against the Claimant.

The NASD shall retain the non-refundable filing fee of \$75.00 and hearing session deposit of \$200.00 previously deposited by the Claimant. There is no balance due to the NASD.

Arbitrator's Signature

Name


James R. Marietta

Public Chairperson

Date of Decision February 9, 1992