

N.A.S.D. AWARD  
NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between  
Samuel and Grace Bray,  
                                Claimants,

and

92-01810

Prudential Securities Inc.  
Charles Hofheimer

Respondents.

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**REPRESENTATION**

For Claimants, Grace and Samuel Bray ("Claimants"): Mr. Art Bish

For Respondent, Prudential Securities, Inc. ("PSI"): John S.  
Barr, Esquire, Maloney Yeatts & Barr, 600 Ross Building, 801 East  
Main Street, Richmond, Virginia 23219-2906.

For Respondent, Charles Hofheimer ("Hofheimer"): pro se

**CASE INFORMATION**

Statement of Claim filed: May 29, 1992  
Claimants' Submission Agreement signed on May 26, 1992

Statement of Answer filed by PSI on: October 6, 1992  
Statement of Answer filed by Hofheimer on: October 19, 1992

Neither PSI nor Hofheimer executed a Submission Agreement.

**HEARING INFORMATION**

Hearing Dates/Sessions: September 9, 1993 - two sessions  
September 10, 1993 - two sessions

Hearing Location: Omni International Hotel, Norfolk, Virginia

### CASE SUMMARY

Claimants allege that PSI and Hofheimer churned their account, made unauthorized and unsuitable trades, and breached their fiduciary responsibilities. PSI and Hofheimer alleged that trades were appropriate and authorized and raised various affirmative defenses, particularly that the claim was time barred by the applicable statute of limitations.

### RELIEF REQUESTED

Claimants requested damages in the amount of \$500,000. PSI and Hofheimer requested that no damages be awarded.

### 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.

PSI and Hofheimer did not file executed submission agreements, but each filed a Statement of Answer and appeared at the hearing. In addition, PSI is a member firm and Hofheimer was an associated person during the time period that Claimants alleged wrongdoing by PSI and Hofheimer. Therefore, pursuant to Section 12 of the Code of Arbitration Procedure, the Panel determined that PSI and Hofheimer were required to submit to arbitration and the Panel exercised its jurisdiction over PSI and Hofheimer.

### 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:

Against PSI and Hofheimer, jointly and severally, in the amount of \$15,000, inclusive.

1. That Respondents PSI and Hofheimer are jointly and severally liable to the Claimants and shall pay to the Claimants the sum of \$15,000, inclusive of interest.
2. That the parties shall bear their respective costs and attorneys' fees, except as indicated herein.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has determined that the forum fees should be borne equally between the Claimants and PSI and Hofheimer.

4 hearing session x \$750 = \$3,000

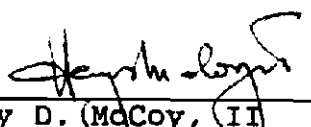
Claimants are assessed forum fees in the amount of \$1,500; however, they are entitled to offset this amount with their hearing session deposit of \$750 previously filed. Therefore, the amount due from the Claimants as forum fees is \$750.

PSI and Hofheimer are jointly and severally assessed forum fees in the amount of \$1,500.

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

Concurring Arbitrator's Signature

Public/Industry

  
Henry D. (McCoy, II)

Public

10-27-93

Date of Decision: 10-27-93

NASD Date of Decision: November 2, 1993

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Concurring Arbitrator's Signature

Public/Industry

  
Guy R. Friddell, III



Date of Decision: \_\_\_\_\_

NASD Date of Decision: November 2, 1993

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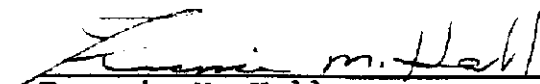
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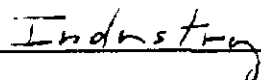
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Concurring Arbitrator's Signature

Public/Industry

  
Francis M. Hall

  
Industry

Date of Decision: Sept 10, 1993

NASD Date of Decision: November 2, 1993