

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Upsilon Internation Corp.
Eudoro A. Olguin

Case No. 92-03647

Name of Respondent(s)

Prudential-Bache Securities Inc.
Nicholas Satee

REPRESENTATION

For Claimant, Upsilon Internation Corp. ("Upsilon") and Eudoro A. Olguin ("Olguin"); William P. Doyle, Esq.

For Respondents, Prudential Securities, Inc. ("Prudential") and Nicholas Satee ("Satee"); Delmer C. Gowing, Esq. of Honignan Miller Schwartz & Cohn.

CASE INFORMATION

Statement of Claim filed: October 26, 1992. Claimant's Submission Agreement signed: August 12, 1993 by Neil Goldberg on behalf of Prudential, and on December 22, 1992 by Satee.

HEARING INFORMATION

On August 12, 13 and 18, 1993, in Fort Lauderdale, Florida, hearings lasting six (6) sessions were conducted.

CASE SUMMARY

Claimants alleged that they desired a conservative investment strategy for their future; that after incurring losses in the stock market, their financial adviser from Prudential suggested that in order to recover from those losses, options trading would be a viable solution; however, that as a result of trading in options, the Claimants suffered further losses; that they were not knowledgeable in the trading of options and relied fully on their broker for advice; that those investments were

unsuitable for their objectives due to their speculative nature; and, that Respondents' actions constituted breach of fiduciary duty, negligence and gross negligence, misrepresentation and fraud, and violations of the 1933 Securities Act, the 1934 Exchange Act, Sections 517.301 and 211, Florida Statutes and the NYSE and NASD Know Your Customer Rules.

Respondents denied all allegations of wrongdoing and alleged that the Claimants were dissatisfied with their conservative investments and wanted an increased return; had various options trading accounts off-shore as well as their account with Prudential; and, that they were aware of the risks involved due to their prior activity in options.

Respondents alleged the affirmative defenses of statute of limitations; failure to state a claim upon which relief may be granted; Claimant is a sophisticated investor aware of the risks; Claimant was aware of all the trading activity, therefore, he ratified all the trades.

RELIEF REQUESTED

Claimants requested compensatory damages of \$153,536.64; income lost on the account; punitive damages; attorney's fees; pre-judgment interest on the compensatory damages; costs and fees.

Respondents requested dismissal, costs, and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

1. During the hearing, the Panel heard a Motion to Dismiss made by Respondent which was denied.
2. 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.

AWARD

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

1. Respondents, Prudential and Satee, are found not liable and, therefore, all claims against them are hereby dismissed.

Page 3.

Award No. 9203647

2. Claimants' requests for attorney's fees, cost, and punitive damages are denied.
3. Respondents' request for attorney's fees and costs are denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding including attorney's fees.

FORUM FEES

1. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$4,500 (six sessions x \$750 per session).
2. Claimants are hereby assessed \$2,250 for which the NASD shall retain the \$750 previously deposited in partial satisfaction thereof leaving a balance due to the NASD of \$1,500 payable to the National Association of Securities Dealers, Inc.
3. Respondents are hereby assessed \$2,250, jointly and severally, payable to the National Association of Securities Dealers, Inc.
4. The NASD shall retain the non-refundable filing fee of \$200 paid by the Claimants.

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

Concurring Arbitrators' Signatures

IS/
Garry W. O'Donnell, Esq.

Public

IS/
Calvin D. Cevaai

Industry

IS/
Vernon M. Pabalis

Public

Date of Decision: 9-13-93