

PUBLIC

N.A.S.D. AWARD.

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

John Caldwell

92-04097

Name of Respondent

Allan Torrey

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on December 4, 1992, Claimant John Caldwell, who appeared Pro Se, alleged that he opened an account with Respondent Allan Torrey at Prudential-Bache Securities, Inc. during mid-March, 1990 and he allowed Respondent to make a sale or purchase without his authorization. Claimant further alleged that he signed an agreement with Prudential which indicated he was interested in "safety of principal" and "long term growth". Claimant contended that Respondent visited Claimant's home on April 23, 1991, and told him he was going over to Shearson whereby Claimant signed documents to help effect the transfer of funds. Claimant further contended that Respondent purchased a tax-free municipal bond for an IRA account which does not need a tax-free issue. Claimant asserted that he was told by another broker that on the day Respondent bought that Nuveen issue, Nuveen also had another issue for sale which yielded more interest and that the commission was less.

Claimant asserted a Motion to Preclude Respondent's Statement of Answer pursuant to Section 13 of the NASD Code of Arbitration Procedure.

Respondent Allan Torrey, by and through his counsel Paul R. Williams, Esq. of Schupbach, Williams & Pavone, Garden City, New York, maintained that an analysis of all the circumstances surrounding Claimant John Caldwell's purchase demonstrates clearly that there is no basis for imposing liability against the Respondent. Respondent further maintained that due to market conditions, the value of some of Claimant's investments fluctuated downward. Respondent contended that maximizing his tax benefits simply were never Claimant's objectives, rather Claimant's goals at the time of the investment were yield and safety, both of which were

met by his investment in the Nuveen fund and the fact that it was purchased in an IRA account was simply irrelevant to his investment decision. Respondent further contended that he received no commission from the transaction.

RELIEF REQUESTED

Claimant John Caldwell requested \$10,000.00 in actual damages.

Respondent Allan Torrey requested the claim be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Mary Sweeney, 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 November 30, 1992 and not by the Respondent as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

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 Claimant's Motion to Preclude Respondent Allan Torrey's Statement of Answer is denied.
2. The claim of Claimant John Caldwell against Respondent Allan Torrey is dismissed.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant John Caldwell shall be retained by the NASD, Inc.

AFFIRMATION

I, MARY SWEENEY, 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

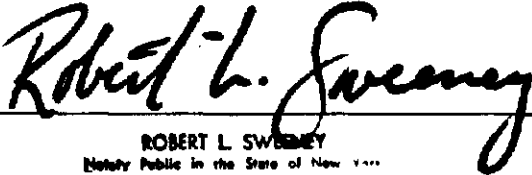
DATE OF DECISION: June 30, 1993

STATE OF:

SS:

COUNTY OF:

On this 21 day of June 19 93, before me personally appeared Mary Sweeney, Esq. to me known and known before me to be the individual described in and who executed the foregoing instrument and she duly acknowledged to me that she executed the same.



ROBERT L. SWEENEY
Notary Public in the State of New York
Qualified in Albany Co. No. 4472637
My Commission Expires 10/27/93