

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

In the Matter of the Arbitration Between

Name of Claimant(s)

Clarence D. Collins

CASE # 93-01518

Name of Respondent(s)

Prudential Securities Inc.
Robert Provence

REPRESENTATION

For Claimant: Fred T. Lowrance of Parker, Poe, Adams &
Bernstein

For Respondent: John S. Barr of Maloney, Yeatts & Barr

CASE INFORMATION

Statement of Claim filed: 4/13/93

Claimant's Submission Agreement signed on: 4/13/93

Statement of Answer filed by Respondents: Prudential
Securities Inc. and Robert Provence on 7/14/93

Respondent, Prudential Securities Inc. Submission Agreement
signed on 7/14/93

Respondent, Robert Provence Submission Agreement signed on
7/15/93

HEARING INFORMATION

Hearing Dates: April 16, 17; and May 7, 1994 - six sessions

Hearing Location: Charlotte, NC

CASE SUMMARY

93-01316

Claimant, Clarence D. Collins, alleged that Respondent, Robert Provence, recommended the purchase of Centocor Corp., October 1991 (2000 shares, additional shares (1000 shares) in late October, January 1992 (1000 shares) and April 1992 (4000 shares). Claimant alleged that 8,000 shares of Centocor represented in excess of 80% of his portfolio. Claimant alleged that he was not aware of the speculative nature of this investment and this investment was not suitable based on his investment objectives. Claimant alleged that as a result of the wrongful conduct of the Respondents, Claimant has lost in excess of \$200,000.00, comprised of his losses in Centocor, interest, and his losses in transactions in other stocks sold to finance the purchases of Centocor. Claimant alleged breach of fiduciary duty by Respondents. Claimant alleged that Respondents actions were fraudulent. Claimant alleged that he was damaged as a result of Respondents' negligent misrepresentations.

Respondents alleged that Claimant's account was handled in a profession manner that was consistent with the investment objectives and direction given to him by Claimant, and deny all allegations of wrongdoing.

RELIEF REQUESTED

Claimant requested: damages in excess of \$200,000.00 - punitive damages in an amount to be ascertained at arbitration, attorney's fees and the cost of this action.

Respondent requested that each claim be dismissed.

AWARD

83-01318

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions (if any), the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

Considering, in addition, the relative fault of the parties, including the fiduciary obligations of the broker and the supervisory responsibilities of the brokerage firm, as well as the responsibilities of the claimant for his own investments, and considering also the credibility of the witnesses, claimant recovers \$45,000.00 from the respondents, jointly and severally.

FORUM FEES

Pursuant to Section <43c/44c> of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed:

Six (6) Hearing sessions X \$750.00 = \$4,500.00

Forum Fees Assessed Against:

1/2 Claimant
1/2 Respondents

Claimant is also assessed a \$200.00 non-refundable filing fee.

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

ARBITRATION PANEL

93-01510

Name

Public/Industry

Simone Siecla

Public

James F. Clardy

Ind.

Alan L. Button

Public

CONCURRING ARBITRATORS' SIGNATURE

Simone Siecla

James F. Clardy

Alan L. Button

Executed on:

~~Date of Decision:~~ May 7, 1994

Date of Decision: May 12, 1994