

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimants

Edward and Lynniah Cohen

vs.

Case No.
93-02642

Name of Respondent

Prudential Securities, Inc.

REPRESENTATION

For Claimants Edward and Lynniah Cohen (collectively "Claimants") appeared Alan P. Fraade, Esq., of Mintz & Fraade, P.C., located in New York, New York.

For Respondent Prudential Securities, Inc. ("Prudential") appeared Arthur Baumgartner, Esq., Vice President and Assistant General Counsel of Prudential Securities, Inc.

CASE INFORMATION

Claimants' Joint Statement of Claim was filed on July 1, 1993.
Claimants' Submission Agreement was signed on May 19, 1993.

Respondent's Statement of Answer was filed on August 12, 1993.
Respondent's Submission Agreement was signed on August 12, 1993.

HEARING INFORMATION

Pre-Hearing Conferences:	December 18, 1997	-	1 Session
	March 12, 1999	-	1 Session
	June 18, 1998	-	1 Session
Hearing Dates/Sessions:	September 28, 1998	-	1 Session
	July 15, 1999	-	2 Sessions
	July 16, 1999	-	2 Sessions
	July 19, 1999	-	2 Sessions

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimants contended that, from on or about November 6, 1987 until on or after March 19, 1991, they were customers of Prudential. Claimants alleged that their stated objectives were safe, short-term, income producing investments with emphasis on preservation of capital. Claimants also alleged that Stephen Hall and Arthur Levine ("Levine"), brokers for Prudential, promoted and enthusiastically recommended highly speculative investments in TIS, Prudential High Yield Income Fund ("Prudential Fund"), and Putnam Master Income Trust ("Putnam"). Claimants further alleged that they represented the investments as being "safe" and "equivalent to a Certificate of Deposit". Claimants alleged that, in August, 1988, relying on their representations, they purchased 8,499 shares of TIS, 17,100 shares of Prudential Fund and 20,000 shares of Putnam, which substantially decreased in value. Claimants further alleged that Prudential recommended investments which they had underwritten and charged substantial commissions.

Respondent maintained that Edward Cohen ("Mr. Cohen") was a successful, experienced businessman who was also a sophisticated investor. Respondent further maintained that Mr. Cohen rejected investing in secure, low yield, certificate of deposits and informed Levine that their financial objective was speculation. Respondent maintained that, prior to effectuating each purchase, a prospectus was provided and, the investments were carefully considered and discussed with Claimants.

RELIEF REQUESTED

Claimants requested an award in the amount of \$718,296.56, interest, costs, filing fees, disbursements, attorney's fees, and such other and further relief as determined by the Panel.

Respondent requested that Claimants' Statement of Claim be dismissed and that the Panel declare that it is not liable to the Claimants.

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 originals remain on file with NASD Regulation, Inc.

The panel has waived the postponement fees previously assessed against Claimant and Respondent.

At the hearing, Claimant Lynniah Cohen's claims were withdrawn.

AWARD

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

1. Respondent is hereby liable and shall pay Claimant Edward Cohen the amount of \$23,050.50 in compensatory damages.
2. Respondent is hereby liable and shall pay Claimant Edward Cohen interest on the award in the amount of 8% per annum accruing from September 28, 1998 until payment in full is made.
3. The parties shall bear their own costs, including attorney's fees.
4. All other requests are hereby denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code, the arbitrators have determined that NASD Regulation, Inc. will retain the \$250.00 non-refundable filing fee paid by Claimants and have assessed the following forum fees:

1 pre-hearing conference (single arbitrator) x \$300.00	= \$ 300.00
2 pre-hearing conference (full panel) x \$1,000.00	= \$2,000.00
7 hearing sessions x \$1,000.00	= <u>\$7,000.00</u>
Total	= \$9,300.00

Respondent is hereby liable and shall pay NASD Regulation, Inc. the sum of \$9,300.00, representing the total forum fees assessed.

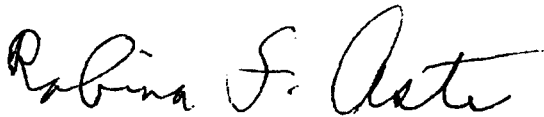
ARBITRATION PANEL

Cynthia L. Boyce, Esq. - Public Chairperson

Neil J. Carey - Public Arbitrator

Robina Asti - Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE

A handwritten signature in cursive script, reading "Robina F. Asti", written in dark ink.

Robina Asti

Date of decision: August 20, 1999

I, **Robina Asti**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

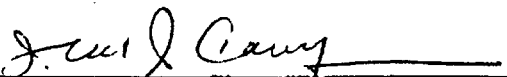
A handwritten signature in cursive script, reading "Robina Asti", written in dark ink.

Robina Asti

ARBITRATION PANEL

Cynthia L. Boyce, Esq. - Public Chairperson
Neil J. Carey - Public Arbitrator
Robina Asti - Industry Arbitrator


CONCURRING ARBITRATOR'S SIGNATURE



Neil J. Carey

Date of decision: August 20, 1999

I, Neil J. Carey, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

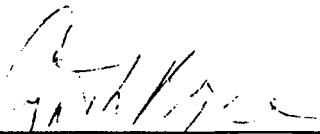


Neil J. Carey

ARBITRATION PANEL

Cynthia L. Boyce, Esq. - Public Chairperson
Neil J. Carey - Public Arbitrator
Robina Asti - Industry Arbitrator

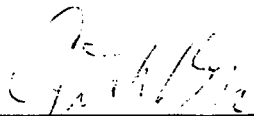
CONCURRING ARBITRATOR'S SIGNATURE



Cynthia L. Boyce, Esq.

Date of decision: August 20, 1999

I, Cynthia L. Boyce, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Cynthia L. Boyce, Esq.