

9505130
E/R

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Louis P. Laurent
Margarete Laurent

93-03226

Name of Respondent

Prudential-Bache Securities Inc.
Al Baron
Laura Lee Baron

REPRESENTATION

For Claimants, Louis P. and Margarete Laurent ("the Laurents"): Det. H. Joks, Esq. of Miami, Florida.

For Respondent, Prudential Bache Securities, Inc. ("Prudential") Brian D. Elias, Esq. of Fowler White Burnett, Hurley, etc. of Miami, Florida.

For Respondents Al Baron and Laura Lee Baron ("the Barons"): Lloyd R. Schwed, Esq. of Honigman Miller, Schwartz & Cohn, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed: August 16, 1993. Claimants' Submission Agreement signed: August 10, 1993.

Respondents' Statement of Answer filed: October 15, 1993. Respondents' Submission Agreements signed: September 15, 1994 by James A. Capezzuto on behalf of Prudential; and March 15, 1995 by Al Baron and Laura Lee Baron.

HEARING INFORMATION

On April 4, 5, 6 and 7, 1995, in Fort Lauderdale, Florida hearings lasting 8 sessions were conducted.

CASE SUMMARY

Claimants alleged that Respondents, through the Barons, mismanaged the Claimants' security accounts; failed to financially qualify Claimants for the investments; sold them unsuitable investments in limited partnerships; fraudulently induced them to purchase and hold investments beyond reasonable depreciation points by lying to them about the risk of the investments, the nature of the investment, the quality of the investment, and the financial condition and the stability of the investment; that Respondents' action were in violation of Florida Blue Sky Law and common law negligence and statutory fraud and common law.

Respondent, Prudential's Motion to Dismiss was granted at the close of Claimants' case. (See "Award" section.)

Respondents, the Barons, alleged that all investments made by Claimants were suitable and appropriate in light of the Claimants' stated objectives and stated financial status; that Claimants were provided with prospectuses that fully disclosed all characteristics of the investments; that the Claims are barred by Section 15 of the NASD Code, by the applicable statute of limitations, and the doctrines of waiver, estoppel, and ratification; that the Claimants made informed decisions to hold First Executive and Prospect Street and, that they alone, are responsible for any losses incurred on those investments.

RELIEF REQUESTED

Claimants requested compensatory damages in the sum of \$80,000.00, punitive damages in the sum of \$80,000.00, statutory interest, attorney's fees and costs.

Respondents requested dismissal and costs.

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 the NASD.

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, Prudential, is found not liable and, therefore, all claims against it are hereby dismissed. This Panel granted Prudential's Motion to Dismiss at the close of Claimants' case.

9505130

2. Claimants are found liable, jointly and severally, and shall pay to the Respondent, Prudential, the amount of \$6,000.00 for attorneys fees pursuant to Section 517.301. The Panel believes that it would not be just and equitable for that award to exceed \$6,000.00.
3. Respondent Al Baron is found liable to and shall pay solely to the Claimant, Louis P. Laurent, the amount of \$16,000.00 inclusive of interest.

OTHER COSTS

None.

FORUM FEES

1. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed Forum Fees in the amount of \$6,000.00 (8 sessions x \$750.00).
2. Claimants are hereby assessed \$3,000.00, jointly and severally, for which the NASD shall retain the \$750.00 previously deposited in partial satisfaction thereof, leaving a balance due to the NASD of \$2,250.00 payable to the National Association of Securities Dealers, Inc.
3. Respondents Al and Laura Lee Baron are hereby assessed \$3,000.00, jointly and severally payable to the National Association of Securities Dealers, Inc.
4. The NASD shall retain the non-refundable filing fee of \$200.00 paid by the Claimants.

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

Concurring Arbitrators' Signatures

LS/
Steven Goerke, Esq.

LS/
Arnold Sarrow

LS/
Michael D. Joblove

Date of Decision: 5/9/95