

N.A.S.D. MODIFIED AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Harold R. and Ruth D. Thomas

94-00746

Name of Respondents

Prudential Securities, Inc.
Myriam Aguirre
Steve Cassady
Danny Walsh

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 28, 1994, Claimants Harold R. and Ruth D. Thomas ("Claimants"), who appeared Pro Se, alleged that Respondents Prudential Securities, Inc. ("PSI"), Myriam Aguirre ("Aguirre"), failed to follow their instructions to purchase U.S. Treasury Notes and instead purchased U.S. Treasury Strips ("Strips") to their detriment. Claimants further alleged that they informed Aguirre's Manager at PSI, Danny Walsh ("Walsh"), of this problem and he told them that the purchases were compatible with their request. Claimants contended that Aguirre also sold their Washington Gas Light Company stock ("WGLC") without their authorization. Claimants further contended that they again complained to Walsh who referred the matter to PSI's New York office. Claimants alleged that Respondent Steve Cassady ("Cassady"), took over responsibility for the their account after Aguirre left PSI and that he made sales and purchases without their consent. Claimants further alleged that as a result of the above, they have suffered a loss for which the Respondents should be held liable.

Respondents Prudential Securities, Inc., Myriam Aguirre, Steve Cassady and Danny Walsh, through their representative and in-house counsel, David Glotzer, Esq., maintained that the objective facts do not support the Claimant's allegations. Respondents further maintained that although the Claimants alleged that the Strips were the wrong investment, they continued to purchase them for several months. Respondents contended that the Claimants alleged that they did not want to sell the WGLC stock, yet they moved it from their safety deposit box to their PSI account. Respondents further contended that while Claimants alleged that "both" of their brokers made unauthorized trades they were only able to clearly identify one such trade, the WGLC trade. Respondents maintained that Claimants made a profit from their account with PSI. Respondents further maintained that Walsh should be dismissed from the matter because no wrongdoing on Walsh's part was alleged. Respondents contended that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimants Harold R. and Ruth D. Thomas, requested \$5,000.00 in actual damages.

Respondents Prudential Securities, Inc., Myriam Aguirre, Steve Cassady and Danny Walsh, requested that the claims of the Claimants be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

The arbitrator after having reviewed and considered all documentation regarding the Motion to Dismiss Respondent Danny Walsh from this action, granted the Motion.

The arbitrator after having reviewed and considered all documentation regarding Motion to Preclude the Audio Tape from consideration, denied the Motion.

MODIFIED AWARD

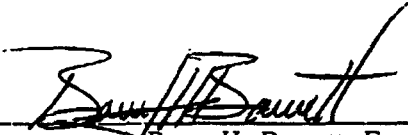
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Barry H. Barnett, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Harold R. and Ruth D. Thomas on February 19, 1994, and by Respondents Prudential Securities, Inc., Steve Cassady and Danny Walsh, on August 23, 1994, and by Myriam Aguirre, on August 9, 1994.

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 claims of the Claimants Harold R. and Ruth D. Thomas, against Respondent Steve Cassady are denied in their entirety.
2. The Respondents Prudential Securities, Inc., and Myriam Aguirre, are jointly and severally liable and shall return to the Claimants Harold R. and Ruth D. Thomas, thirty (30) shares of Washington Gas Light Company stock for a charge to the Claimants of \$786.92. This amount represents the net proceeds received by the Claimants on the original sale of the thirty (30) shares of Washington Gas Light Company stock as reflected in Claimants' account statement.
3. The Respondents Prudential Securities, Inc., and Myriam Aguirre, are jointly and severally liable and shall pay to the Claimants Harold R. and Ruth D. Thomas, all dividends paid on the thirty (30) shares of Washington Gas Company stock which were not received by Claimants from March 22, 1991, the date of the unauthorized sale, to the date of return of the thirty (30) shares.
4. The parties shall bear their respective costs.
5. All other relief requests are denied.
6. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Harold R. and Ruth D. Thomas, shall be retained by the NASD, Inc.

AFFIRMATION

I, **BARRY H. BARNETT, 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.



Barry H. Barnett, Esq.

DATE OF MODIFIED DECISION: February 9, 1996

