

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Mark Haber

94-00800

Name of Respondents

Prudential Securities, Inc.
John R. Anastasia

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 1, 1994, Claimant Mark Haber, who appeared Pro Se, alleged that Respondents Prudential Securities, Inc. and John R. Anastasia gave him misleading information and induced him into an unsafe investment that was not consistent with his portfolio goals or investment objectives. The Claimant further alleged that in a meeting with Respondent Anastasia he stated that he wanted a relatively safe investment with a chance for growth as well, and Respondent recommended the stock of Tandon Corp. The Claimant contended that he ordered 1,000 shares and that by October, 1991 the stock had declined in value by 40%, and further that on October 23, 1991 pursuant to Respondents' recommendation, he purchased an additional 1,000 shares to average his cost. The Claimant alleged that by June, 1993 the stock was worthless. Claimant Mark Haber further contended that in all the information Respondent sent to him regarding the investment there was no mention that the company was speculative or risky, and that he is entitled to recover the damages he has suffered.

Respondents Prudential Securities, Inc. and John R. Anastasia, through their in-house counsel, Renee Kwait Rettig, Esq., maintained that Claimant Mark Haber told Respondent Anastasia that due to losses suffered in his joint account and in his wife's IRA he wanted speculative investments to offset his earlier downturns. The Respondents further maintained that the Claimant was given all the appropriate information to make an intelligent decisions as to whether or not to invest and the investment in Tandon was consistent with his existing portfolio and his investment history. Respondents contended that an examination of the Claimant's portfolio shows that all the stock were high risk speculative technology stocks. Respondents further contended that between December, 1988 and June, 1991, Claimant purchased 6 stocks with 5 of the 6 rated B- or below by Standard & Poor's and that Tandon was similarly rated B-.

In a reply letter dated May 4, 1994, Claimant alleged that Respondents did induce him into an investment that was not prudent with his long term retirement investment goals and that it was Respondent John R. Anastasia's recommendation supplied with information by Respondent Prudential Securities, Inc. to convince him to purchase Tandon Corp.

RELIEF REQUESTED

Claimant Mark Haber requested \$6,074.70 in actual damages.

Respondents Prudential Securities, Inc. and John R. Anastasia requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David Townsend, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 22, 1994, by Respondent Prudential Securities, Inc. on April 25, 1994 and by Respondent John R. Anastasia on April 22, 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 Claimant Mark Haber against Respondent Prudential Securities, Inc. and John R. Anastasia are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Mark Haber, shall be retained by the NASD, Inc.

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AFFIRMATION

I, DAVID TOWNSEND, 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.

A handwritten signature in cursive script, reading "David Townsend", written in dark ink. The signature is fluid and stylized, with a long horizontal line extending from the end of the name.

Signature of Arbitrator

DATE OF DECISION: November 30, 1994