

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Mukund L. Vasa

95-01045

Name of Respondents

Prudential Securities, Inc.  
Sam Cornelius

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on February 28, 1995, Claimant Mukund L. Vasa, through his representative, William S. Shepherd, Esq., located in Houston, TX, alleged that Respondents Prudential Securities, Inc. ("PSI"), and Sam Cornelius, ("Cornelius"), upon opening his account with PSI recommended that he invest \$10,000.00 in The India Fund ("TIF"), a mutual fund, which he did to his detriment. Claimant further alleged that shortly after the account, a purchase of 500 shares of Interleaf stock was placed in his account on margin. Claimant contended that he brought this unauthorized purchase to the attention Cornelius who assured him he would not let him lose money on the shares. Claimant further contended that the Interleaf shares at which time Cornelius disclaimed making any assurances regarding the stock and that as a result of the above, he has suffered a loss for which the Respondents should be held liable.

Respondents Prudential Securities, Inc. and Sam Cornelius, through their representative and in-house counsel, Ronald Jamison, Esq., located in New York, NY, maintained that simply because an investment does not perform well does not amount to misrepresentation or unauthorized trading. Respondents further maintained that Claimant assumed the risk of his investments because he expressly authorized the trades. Respondents contended that the Claimant's stated investment objectives were long term growth and speculation which are suitable for the investments he made. Respondents further contended that the Claimant held the Interleaf shares for over seven months which indicates his approval of the transaction. Respondents maintained that as a result of the above, they should not be held liable.

**RELIEF REQUESTED**

Claimant Mukund L. Vasa, requested \$7,679.82 in actual damages, plus attorney's fees and costs.

Respondents Prudential Securities, Inc. and Sam Cornelius, requested that the claims of the Claimant be dismissed.

### **AWARD**

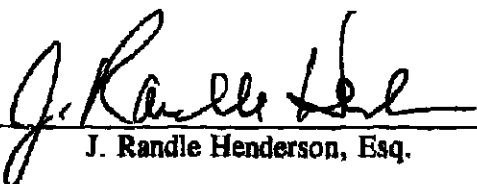
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, J. Randle Henderson, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Mukund L. Vasa, on February 8, 1995, and by the Respondent Prudential Securities, Inc., on July 5, 1995, but not by Respondent Sam Cornelius, as required by Sections 8 and 10 of the NASD Code of Arbitration Procedure.

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 Respondents Prudential Securities, Inc. and Sam Cornelius, are jointly and severally liable and shall pay to the Claimant Mukund L. Vasa, \$317.94 in actual damages.
2. The parties shall bear their respective costs.
3. All other relief requests are denied.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Mukund L. Vasa, shall be retained by the NASD, Inc. The Respondents Prudential Securities, Inc. and Sam Cornelius, are jointly and severally liable and shall pay to the Claimant Mukund L. Vasa, \$150.00 as reimbursement of the filing fees.

### **AFFIRMATION**

I, J. RANDLE HENDERSON, 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.

  
J. Randle Henderson, Esq.

DATE OF DECISION: October 11, 1995