

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Francis X. Gormley, Sr.,
CFO Stephen, Sean and Alexander Gormley

95-01230

Name of Respondents

Prudential Securities Inc.
Carolann Doherty Brown

REPRESENTATION

Claimant Francis X. Gormley, CFO Stephen, Sean and Alexander Gormley ("Claimant") appeared pro se

Respondents Prudential Securities, Inc. ("Prudential") and Carolann Doherty Brown ("Brown") were represented by Christopher Freeze, Assistant General Counsel, Prudential Securities, Inc., New York, NY

CASE INFORMATION

The Statement of Claim was filed on March 9, 1995
Claimant's Submission Agreement was signed on March 20, 1995

The Joint Answer of Prudential and Brown (collectively "Respondents") was filed on June 8, 1995
Prudential's Submission Agreement was signed on December 20, 1995
Carolann Doherty Brown did not file a Submission Agreement

HEARING INFORMATION

Hearing Date/Sessions: December 20, 1995/two sessions

Hearing Location: ANA Hotel, Washington, DC

CASE SUMMARY

Claimant alleged, among other things, that Brown failed to testify on Claimant's behalf at an arbitration hearing on February 3, 1994, after Brown had agreed to appear. Claimant alleged that Brown was employed by Prudential at all times relevant to this claim. Claimant alleged that Prudential prevented Brown from testifying on Claimant's behalf. Claimant alleged that Claimant requested that Brown review investments Claimant had in a Legg Mason Realty

Capital, Inc. Mid-Atlantic Centers limited partnership ("Legg Mason"). Claimant alleged that when he decided to bring claims of unsuitability and fraud against Legg Mason, Claimant requested Brown testify as an expert witness. Claimant alleged that immediately prior to the Legg Mason arbitration hearing was to begin, Brown refused to attend. Claimant alleged Prudential prohibited Brown's testimony at the arbitration against Legg Mason. Claimant alleged that he was forced to accept an unsatisfactory settlement as a result of Respondents' negligent actions.

Respondents categorically denied all allegations of wrongdoing. Respondents maintained that Claimant, and Claimant's attorney in the Legg Mason arbitration, voluntarily decided to settle all claims with Legg Mason. Respondents maintained that it is unreasonable to speculate what award the arbitrators would have returned in Claimant's case against Legg Mason. Respondents maintained that neither Prudential or Brown were involved in the purchases relevant to the Legg Mason arbitration. Respondents maintained that Claimant demanded that Brown testify to issues on which she had no knowledge or information. Respondents maintained that Brown made numerous attempts to explain to Claimant she could only testify to a limited and specific issue and not to the issues Claimant had raised. Respondents maintained that any loss suffered by Claimant was the result of Claimant's decision to accept the settlement with Legg Mason.

RELIEF REQUESTED

Claimant requested damages in the amount of \$3,610.00 plus interest and the costs attributed to this arbitration.

Respondents requested that the Statement of Claim be dismissed and Claimant be assessed the costs of this arbitration including reasonable attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

Respondent Brown did not file a Uniform Submission Agreement with the NASD but filed an Answer and consented on the record to submit to the arbitration. The Arbitrator determined that pursuant to Section 12 of the NASD Code of Arbitration Procedure ("Code"), Brown is bound by the determination of the Arbitrator on all issues.

Claimant made a preliminary Motion to Strike Respondents' Answer and that motion was denied.

AWARD

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

1. Claimant's Statement of Claim is denied in its entirety.
2. Parties shall each bear their own costs and attorney's fees except as specifically addressed herein.
3. Any relief not specified herein, is denied in its entirety.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed:

2 sessions x \$100.00 = \$200.00

Forum Fees assessed against Claimant. Claimant shall receive credit for the \$100.00 hearing session deposit previously filed with the NASD, leaving a net assessment due of \$100.00.

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

DATE

12/28/95

ARBITRATOR'S SIGNATURE



David A. Lipton, Presiding
Public Arbitrator

Date Award Served by NASD:

December 29, 1995