

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

James and Knar Goulian

95-01366

Name of Respondent(s)

Prudential Securities Inc

REPRESENTATION

For Claimants James and Knar Goulian ("Claimants"), Joseph M. Kennedy, Esq. of the firm Harwood Lloyd located in Hackensack, New Jersey.

For Respondent Prudential Securities, Inc. ("Respondent"), Mihal Nihari, Esq. of the firm Butler, Fitzgerald & Potter located in New York, New York.

CASE INFORMATION

Statement of Claim filed: March 6, 1995.

Claimant's Submission Agreement signed on: March 6, 1995.

Amendment to Statement of Claim filed: March 31, 1995.

Statement of Answer filed by Respondent: June 9, 1995.

Amended Statement of Answer filed: August 21, 1996.

HEARING INFORMATION

Pre-Hearing Conferences: April 10, 1996 - 1 session

April 11, 1996 - 1 session

April 15, 1996 - 1 session

Hearing Dates/Sessions: October 1, 1996 - 2 sessions

October 2, 1996 - 1 session

Hearing Location: The hearings were held at the City Midday Club located in New York City, New York.

CASE SUMMARY

Claimants alleged that they opened an account with Respondent in June of 1992 and that their registered representative was Loren Sidney ("Sidney"). Claimants further alleged that they told Sidney that they wanted only ultra-safe investments providing a steady stream of income and involving no risk at all. Claimants contended that pursuant to Sidney's recommendation, on June 18, 1992, they purchased 6,000 shares of Hyperion 1999 Term Trust ("Hyperion") for \$60,000.00 and on August 20, 1992, they purchased 15,000 shares of Blackrock 2001 Term Trust, Inc. ("Blackrock") for \$150,000.00. Claimants further contended that Sidney represented that the investments were "ultra safe" and involved no risk. Claimants alleged that Sidney further represented that at the end of the seven year term of Hyperion and the nine year term of Blackrock, the stock price of each would not be more than an eighth of a point apart from the ten dollar per share purchase price and that throughout their terms Black Rock would pay dividends of \$906.00 per month and Hyperion of \$400.00 per month.

Claimants asserted that from January, 1993 to July, 1993 Sidney executed thirty one trades for their account, most of which were unauthorized. Claimants alleged that they complained to Respondent about the numerous trades and were offered \$1,000.00 in return for their signing a release. Claimants further alleged that their understanding was that the release covered only the thirty one trades made by Sidney. Claimants contended that, subsequent to signing the release, the value and dividend stream of their Blackrock and Hyperion investments declined. Claimants alleged that these investments were inappropriate and unsuitable for them and they would not have purchased them except for the misrepresentations of Sidney.

Respondents maintained that on August 7, 1993, Claimants signed a General Release which was explained to them as releasing Respondent from liability for any and all claims involving all investments in their securities account from the beginning of the world to the day the General Release was signed. Respondent further maintained that, by letter dated August 16, 1993, the settlement check in the amount of \$1,000.00 was forwarded to the Claimants and the Claimants were advised that the "check represents full and final settlement of all claims against Prudential Securities Incorporated". Respondent contended that the Release included Claimants' investments in Hyperion and Blackrock, purchased on June 25, 1992 and August 27, 1992 respectively.

RELIEF REQUESTED

Claimants requested: \$56,250.00 in actual damages, interest, costs, attorney's fees and punitive damages.

Respondent requested that the Statement of Claim be dismissed and that it be awarded its 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 and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent's Motion to Dismiss the Statement of Claim is granted.

2. Each party shall bear its respective costs, including attorney's fees.
3. All other claims be and hereby are denied.

FORUM FEES

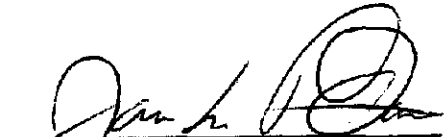
Pursuant to Section 10332 of the Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$150.00 non-refundable filing fee deposited by the Claimants and have assessed the following Forum Fees:

2 pre-hearing conferences x \$300.00 =	\$600.00
3 hearing sessions x \$500.00 =	\$1,500.00
Total Assessed =	\$2,100.00
Minus Claimants' deposit =	\$500.00
Total Outstanding	<u>\$1,600.00</u>

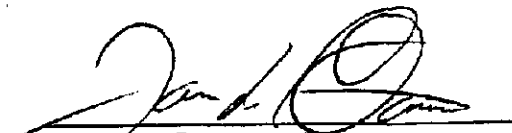
Claimants be and hereby are liable for \$1,050.00 representing one half of forum fees assessed. Claimants previously deposited \$500.00 with the NASD and therefore, owe \$550.00.

Respondents be and hereby are liable for \$1,050.00 representing one half of forum fees assessed.

ARBITRATOR'S SIGNATURES


James M. Baumann, Esq.

I, James M. Baumann, do hereby affirm that this is my decision in the above captioned matter.


James M. Baumann, Esq.

Date of Decision: 12/26/97

Vicki Z. Holleman

Vicki Z. Holleman, Esq.

I, Vicki Z. Holleman, do hereby affirm that this is my decision in the above captioned matter.

Vicki Z. Holleman

Vicki Z. Holleman

Lawrence A. Siegal
Lawrence A. Siegal

I, Lawrence A. Siegal, do hereby affirm that this is my decision in the above captioned matter.

Lawrence A. Siegal
Lawrence A. Siegal