

NASD REGULATION AWARD

In the Matter of the Arbitration Between

Name of Claimant

Nicholas Crupi

95-04200

Name of Respondents

A.G. Edwards & Sons, Inc.
Fred Brickel

REPRESENTATION

For claimant Nicholas Crupi ("claimant") appeared W. Randolph Kraft, Esq., a sole practitioner located in Jersey City, New Jersey.

For respondents A.G. Edwards & Sons, Inc. ("A.G. Edwards") and Fred Brickel ("Brickel") (collectively referred to as the "respondents") appeared, William S. Port, Esq., Associate Vice President and Litigation Counsel of A.G. Edwards & Sons, Inc.

CASE INFORMATION

Statement of Claim was filed on August 24, 1995. Claimant's Submission Agreement was signed on May 5, 1995.

Joint Statement of Answer was filed by respondents on October 11, 1995. A.G. Edwards' Submission Agreement was signed on October 10, 1995. Brickel's Submission Agreement was signed on September 29, 1995.

HEARING INFORMATION

Pre-Hearing Conferences:	September 4, 1996	-	One Arbitrator
	November 13, 1996	-	One Arbitrator
	December 13, 1996	-	One Arbitrator
Hearing Dates/Sessions:	January 22, 1997	-	Two Sessions
	March 5, 1997	-	Two Sessions
	March 6, 1997	-	Two Sessions

The hearing conducted on January 22, 1997 was held at the Club Quarters Hotel located at 52

William Street, New York, New York. The hearings conducted on March 5 and 6, 1997 were held at the offices of NASD Regulation, Inc., located at New York, New York.

CASE SUMMARY

Claimant alleged that he was self employed, had no formal training or education in connection with financial investments and earned approximately \$30,000.00 a year. Claimant further alleged that, in August 1985, he was introduced to Brickel and that he told Brickel he was investing for his retirement and that his investment objectives were to preserve principal, produce income, and avoid risky investments.

Claimant asserted that Brickel recommended highly speculative, illicit limited partnership investments and that, based on Brickel's recommendations, he invested \$30,000.00 in Century Pension Income Funds ("Century"). Claimant further asserted that he was not told of the risks of the investment or that there was no secondary market for the investment. Claimant also asserted that Century was an illiquid, high-risk, real estate limited partnership engaged in purchasing commercial income producing properties. Claimant contended that Century was inconsistent with his stated investment objectives and unsuitable for someone in his circumstances. Claimant further contended that he did not discover he had a claim of action until July 1993 and that, when he tried to liquidate his investment, he discovered there was no secondary market available for this investment.

Claimant contended that Brickel recklessly and maliciously engaged in trading activity designed solely to advance his own financial interest. Claimant maintained that A.G. Edwards failed to properly supervise Brickel. Claimant further maintained that there existed a fiduciary relationship between him and Brickel that Brickel breached and that A.G. Edwards aided and abetted this breach of fiduciary duty by not properly supervising Brickel. Claimant also maintained that Brickel violated Article 3 Section II of the NASD Rules of Fair Practice by making unsuitable recommendations. Claimant alleged that Brickel, with intent to deceive and defraud him, violated Section 10b of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder and that A.G. Edwards was liable as a controlling person. Claimant further alleged that respondents were negligent and breached their duty to protect his account from an unreasonable risk of harm. Claimant also alleged that, by acting contrary to the rules, regulations and customs of the exchange or market on which the transactions occurred in his account and the rules of Fair Practice, respondents have breached their contract with him.

Respondents maintained that claims for arbitration must be filed within six years from the date of occurrence and that claimant's claims must be dismissed because claimant's Statement of Claim was not filed until ten years after his initial purchase of Century and seven years after his last purchase. Respondents also maintained that the statute of limitations should not be tolled simply because claimant did not read his statements. Respondents contended that claimant's claim for breach of fiduciary duty, negligence and securities fraud were barred by New Jersey's statute of limitations.

RELIEF REQUESTED

Claimant requested an award for the following relief:

- A. Awarding the approximate amount of \$83,192.36, for the difference between what the account would have been worth if suitable investments were made in the actual realizable value of the account through the present.
- B. Awarding \$100,000.00 with interest per annum from the date of purchase.
- C. Awarding attorneys' fees and costs of this proceeding.

Respondents requested that Claimant's Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND 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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against A.G. Edwards and Brickel are dismissed in their entirety.
2. Claimant's request for attorneys' fees is hereby denied.
3. All other claims are denied.

FORUM FEES

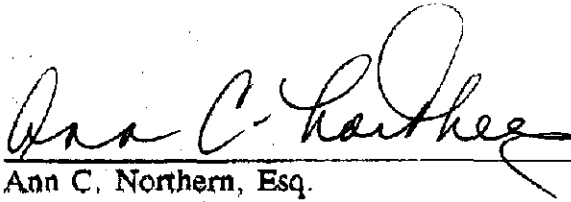
Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. shall retain the \$150.00 non-refundable filing fee previously deposited by claimant and have assessed the following forum fees:

3 pre-hearing conferences x \$300.00	= \$ 900.00
7 hearing sessions x \$500.00	= <u>\$3,500.00</u>
Total forum fees assessed	= \$4,400.00

1. Claimant be and hereby is liable for the sum of \$2,200.00, representing one-half of the total amount of forum fees assessed. Claimant previously deposited \$500.00 with NASD Regulation and, therefore, claimant is liable for the balance of \$1,700.00.
2. A.G. Edwards and Brickel be and hereby are jointly and severally liable for and shall pay to NASD Regulation the sum of \$2,200.00, representing one-half of the forum fees assessed.

Fees are payable to NASD Regulation, Inc.

Arbitrators' Signatures



Ann C. Northern, Esq.
Chairperson-Public Arbitrator

Robert E. Tobin
Public Arbitrator

Mark R. Greenberg
Industry Arbitrator

Date of Decision: May 9, 1997

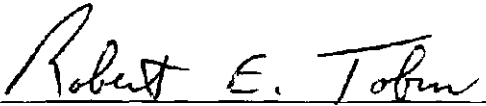
I, Ann C. Northern, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Ann C. Northern, Esq.

Arbitrators' Signatures

Ann C. Northern, Esq.
Chairperson-Public Arbitrator

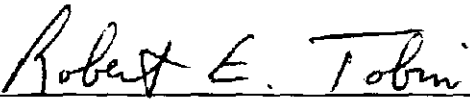


Robert E. Tobin
Public Arbitrator

Mark R. Greenberg
Industry Arbitrator

Date of Decision: May 9, 1997

I, **Robert E. Tobin**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Robert E. Tobin

Arbitrators' Signatures

Ann C. Northern, Esq.
Chairperson-Public Arbitrator

Robert E. Tobin
Public Arbitrator

Mark R. Greenberg

Mark R. Greenberg
Industry Arbitrator

Date of Decision: May 9, 1997

I, Mark R. Greenberg, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Mark R. Greenberg

Mark R. Greenberg