

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

---

In the Matter of the Arbitration Between

Name of Claimant

Seymour Weiner

96-01707

Name of Respondent

Prime Charter, Ltd.

---

**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on April 29, 1996, claimant Seymour Weiner ("claimant"), who appeared Pro Se, alleged that respondent Prime Charter, LTD. ("respondent") through its representative, Bradford S. Beidner ("Beidner"), breached its fiduciary duty by disregarding his financial situation and best interests. Claimant further alleged that in September and October of 1994, Beidner made a series of phone calls to him which led him to purchase 500 shares of Integrated Device Technology, Inc. ("IDT") based on the following assurances: 1) he would not have to pay for the stock, 2) the purchase was not speculative because it was certain to increase in value, 3) prestigious brokerage firms recommended the stock and, 4) he guaranteed there would be no loss. Claimant also alleged that the stock value increased in value and he told Beidner to sell the shares but was told he would have to pay for it first. Claimant contended that he borrowed against his VISA card and opened a margin account to fund the purchase. Claimant further contended that respondent began making unauthorized trades in his account including: 1) 1000 shares of Conner Peripherals, Inc. ("CNR") and, 2) 2000 shares of Station Casinos, Inc. ("STCI"). Claimant also contended that he immediately complained to Beidner and was told that everything would be ok. Claimant asserted that he unsuccessfully attempted to resolve the problem with respondent and that as a result of the above, he has suffered a loss for which the respondent should be held liable.

Respondent Prime Charter, Inc. through its representative and in-house counsel, Maureen Porette, maintained that claimant opened an account with it on October 18, 1994, and agreed to purchase 500 shares of IDT. Respondent further maintained that claimant was informed that he would not be entitled to the profits of the trade until he paid for it. Respondent also maintained that claimant paid for the trade and then purchased shares of CNR and STCI.

Respondent contended that these trades were not profitable and that claimant indicated he would have a problem paying for the transactions. Respondent further contended that claimant identified in his April 15, 1996, letter contemplating arbitration that he was retired and on Social Security. Respondent also contended that at the time of the trades he had indicated he was employed. Respondent asserted that as a result of the above, it should not be held liable

### **RELIEF REQUESTED**

Claimant Seymour Weiner requested \$9,222.53 in actual damages.

Respondent Prime Charter, Ltd. requested that the claims be dismissed in their entirety.

### **AWARD**

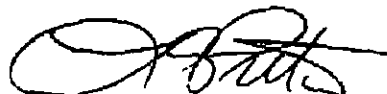
Pursuant to Section 10302 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Lawrence A. Pittore, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the claimant on April 17, 1996, and by respondent on May 23, 1996.

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 Seymour Weiner against respondent Prime Charter, Ltd. are denied in their entirety.
2. The parties shall bear their respective costs and attorney's fees.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the claimant shall be retained by the NASD, Inc.
4. All other relief requests are denied.

### **AFFIRMATION**

I, Lawrence A. Pittore, Esq., do hereby swear or 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.



\_\_\_\_\_  
Signature of Arbitrator

DATE OF DECISION: November 27, 1996

## Report of Arbitrator

The transactions at issue took place in October and early November of 1994. Claimant's first complaint was by letter dated December 13, 1994. Claimant did not complain about the transactions at issue until well after he received confirmations of the transactions and only after the price of the securities purchased began to drop.

Claimant's new account form was mailed to him on October 19, 1994, yet he never complained about the information contained on said form until April of 1996.

Respondent and Respondent's broker allege that all trades in the account were authorized by Claimant.

Based on the submissions, I find that all transactions in Claimant's account were authorized and suitable, and dismiss the case in its entirety.