

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Michael T. and Nancy J. Benson

96-02542

Name of Respondents

A.S. Goldmen & Company, Inc.
Michael Mullen

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 13, 1996, claimants Michael T. and Nancy J. Benson who held an account as joint tenants with the right of survivorship ("claimants"), and who appeared Pro Se through Michael T. Benson ("claimant"), alleged that respondent A.S. Goldmen & Company, Inc. ("ASG"), through its representative Michael Mullen ("Mullen"), failed to disclose complete information regarding the purchase of warrants. Claimant further alleged that in early 1993, Mullen contacted claimant several times recommending that he purchase Princeton Dental Management Corporation Warrants ("PDMC") which he followed. Claimant also alleged that prior to the purchase, Mullen assured him that PDMC's "warrant market price was close in value to the cost of exercising each warrant to purchase a share of PDMC's common stock at market price." Claimant contended that he purchased a total of 1,500 shares and complained that the spread between the price paid and the market price was too great but that ASG declined to compensate him for the difference. Claimant also contended that in 1994, Mullen became employed by a new brokerage firm and that he transferred the PDMC warrants there. Claimant contended that later on he had the warrant certificate transferred to him and discovered that each warrant could be used to purchase 1/4 share of common stock rather than an entire share of common stock contrary to Mullen's prior statement. Claimant asserted that the warrant also required a cash payment to the company upon exercising it and that this type of requirement was new to him. Claimant further asserted that had he known of these facts, he would not have purchased the warrants and that Mullen intentionally withheld this information to induce the purchase. Claimant also asserted that as a result of the above, the claimants have suffered a loss for which the respondents should be held liable.

Respondents A.S. Goldmen & Company, Inc. and Michael Mullen who appeared through their counsel, Carole R. Bernstein, Esq., a sole practitioner located in Norwalk, Connecticut, maintained that upon opening their account with ASG in December of 1992, they stated that: 1) M. Benson was an attorney and N. Benson a pharmacist; 2) they were interested in income, growth and speculative securities; 3) they had a combined net worth in excess of \$500,000.00 and an annual income over \$60,000.00; and, 4) specifically requested that ASG hold all securities purchased. Respondents further maintained that in June of 1993, claimants purchased 1,500 PDMC warrants. Respondents also maintained that claimants', apparently happy with Mullen, transferred their account assets to the brokerage firm he became employed by in 1994. Respondents contended that two years after receiving the certificate and three years after the purchase, claimants now complain about the terms of the certificate. Respondents further contended that claimants were fully apprised of all conditions and terms of the purchase at the time of the purchase. Respondents also contended that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimants Michael T. and Nancy J. Benson requested \$3,495.00 in actual damages plus interest, attorney's fees and costs

Respondents A.S. Goldmen & Company, Inc. and Michael Mullen requested that the claims be dismissed in their entirety plus reimbursement of attorney's fees

AWARD

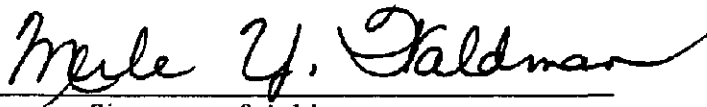
Pursuant to Section 10302 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Merle Y. Waldman, Esq., was selected to review the matter in controversy between the parties set forth in submissions to arbitration signed by the claimants on June 6, 1996, and by respondents A.S. Goldmen & Company, Inc. on August 26, 1996, and Michael Mullen on August 27, 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 claimants Michael T. and Nancy J. Benson against respondents A.S. Goldmen and Company, Inc. and Michael Mullen are denied in their entirety.
2. The parties shall bear their respective costs and attorney's fees.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the claimants shall be retained by the NASD, Inc.

AFFIRMATION

I, Merle Y. Waldman, 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.



Signature of Arbitrator

DATE OF DECISION:

January 17, 1997