

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between :
: :
Savino & Loretta Prezioso : AWARD
: :
Claimants : #88-02056
vs. :
: :
Prudential-Bache Securities, Inc. :
Pruco Securities Corp. :
Thomas Nicotra :
Daniel T. Rose Respondents :
Lewis Grandinetti :
Prudential Insurance Company of America :

Case Summary

Claimants alleged that Respondents misrepresented investments when advising Claimants to move monies from their IRA accounts at another institution to accounts governed by the Respondents. Claimants further alleged that Respondents placed them in unsuitable funds and failed to disclose the facts of and misrepresented insurance policies that were sold to them where the principles were at risk. Respondents Pruco Securities Corp., Thomas Nicotra, Lewis Grandinetti and Daniel Rose maintained that prospectuses were provided to the Claimants and that no guarantees were ever made to the Claimants who signed applications verifying that the contract met their financial needs and objectives. Respondent Prudential-Bache Securities maintained that they were not a proper party to the proceeding. Respondent Prudential Insurance Company of America requested that they be dismissed as a party and asserted that they were not a proper respondent to the complaint.

Relief Requested

Claimants requested relief in the amount of \$26,974.28. Respondents Pruco Securities Corp., Thomas Nicotra, Lewis Grandinetti and Daniel Rose requested that the claim be dismissed. Respondent Prudential-Bache Securities, Inc. requested that they be dismissed as a party to the proceeding and that all costs of the arbitration be charged against the Claimants. Respondent Prudential Insurance Company of America requested that they be dismissed as a party to the proceeding and incorporated the Statement of Answer of Pruco Securities Corp. should the panel not grant their Motion to Dismiss.

Award

On November 14, 1989 in Buffalo, New York in one hearing session, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Savino and Loretta Prezioso on June 9, 1988, by Respondent Prudential-Bache Securities, Inc. on June 20, 1989, by Respondent Pruco Securities Corp on August 11, 1988, by Respondent Prudential Insurance of America on June 6, 1989, by Respondent Thomas Nicotra on August 9, 1988, by Respondent Daniel H. Rose on August 8, 1988 and by Respondent Lewis Grandinetti on August 11, 1988. The initial claim was filed on June 28, 1988. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. The Motion to Dismiss of Prudential Insurance Company to dismiss the firm as a party is denied.
2. As decided by this panel at the hearing on November 14, 1989, the Motion to Dismiss of Prudential-Bache Securities, Inc. to dismiss Prudential-Bache Securities, Inc. as a party to this proceeding is granted.
3. Pruco Securities Corp., Prudential Insurance Company of American and Daniel Rose shall be jointly and severally liable and shall pay to the Claimants the sum of Eleven Thousand Six Hundred Eighty Dollars and Seventy-Five Cents (\$11,680.75) inclusive of interest.
4. The claims of the Claimants against Thomas Nicotra and Lewis Grandinetti are hereby dismissed.
5. The parties shall each bear their respective costs including attorney fees.
6. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$400.00 filing fee previously deposited by the Claimants.

CONCURRING ARBITRATORS

Philip Marshall
Philip Marshall

James G. Parker

Hyman M. Scheff

CONCURRING ARBITRATORS

Philip Marsnall

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Notary Public, State of N.Y., Genesee County
My Commission Expires

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