

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In The Matter of The Arbitration Between

Hinds

Claimants

Award

vs.

NASD #

88-3036

Kevin Hoge, and
Charles E. Anderson, and
Pro-Bach

Respondents

SUMMARY OF ISSUES

This case was filed on

September 28, 1988.

Claimant alleged the following: Misrepresentation and lack of suitability in the purchase by respondent Anderson of Putnam GNMA Plus Trust (Putnam Plus).

Claimant advised Anderson he had \$25,000 to invest and Anderson was aware of his age, (73) that Claimant had no pension, Keogh and no other income other than his portfolio.

Respondents allege the following: Claimant, ^{an active broker,} is not unsophisticated as to securities investments. He has invested in other bond funds and has an extensive portfolio consisting of corporate and municipal bonds, unit trusts and two "GNMAs." He received a copy of the Putnam explanatory brochure which directs investors to the prospectus and additional information. The facts that the Putnam Plus Fund invested in government mortgage backed securities and covered government future options, as well as all elements of the Fund were fully disclosed. Claimant was a suitable investor.

DAMAGES AND RELIEF REQUESTED

Claimant requested \$5,000 plus interest.

DAMAGES AND RELIEF AWARDED

On July 21, 1989 in San Diego, CA.

the undersigned arbitrators heard the controversy in 1 sessions;
between the parties as set forth in submissions to arbitration signed
by Claimant(s) September 26, 1988

and by Respondent(s) Kevin Hoyle on November 28, 1988 and
Charles Anderson on November 29, 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. Respondent Kevin D. Hoyle was dismissed as
a party during the arbitration pursuant to stipulation of the parties
and order of the arbitrator because he should not have been
named as a respondent initially.

3. Each and every claim is dismissed.

4. The parties shall each bear their respective costs including attorneys' fees.

Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain/ ~~refund~~ the \$ 100.00 filing fee previously deposited by the Claimant.

Respondent Prudential-Bache, only, is liable for and shall pay the claimant the \$100.00 filing fee.

OTHER ISSUES

Claimant ~~req~~ made a motion at the hearing to
include Prudential-Bache as a party which was taken under
advisement and then granted.

ARBITRATORS CONCURRING

DATE SERVED: 08/25/89

Bruce Fushell

ARBITRATORS DISSENTING