

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Ruth Arlyn Levin

Claimant

vs.

Prudential-Bache Securities,
Inc., and Thomas Breen

Respondents

CASE NO. 89-00577

SUMMARY OF ISSUES

Claimant filed this claim with the NASD on February 21, 1989 and alleged that the recommended investment in Continental Option Income Plus Fund II was not suitable. Claimant further alleged that Respondents failed to advise her of the risks associated with the investment prior to purchase and that Respondents breached the fiduciary duty owed to her by failing to recommend a diversified investment portfolio.

Respondents maintained that the recommended investment was suitable to Claimant's investment objectives and that Claimant chose to invest in the Continental Fund after turning down another mutual fund also recommended by Respondents. Respondents further maintained that the investment strategies employed by the Continental Fund and the risks associated with such were fully explained to Claimant prior to purchase, and that Claimant received a written prospectus upon her purchase of investment. Respondents further maintained that the losses complained of are the result of market forces during October 1987 rather than any alleged misconduct on the part of the Respondents.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages in the amount of \$57,593.00, or alternately the amount of \$58,760.00 if she had not mitigated her damages, plus attorneys' fees of \$5,800.00 and reimbursement of the \$500.00 filing fee.

Respondents requested dismissal of the claim.

DAMAGES AND RELIEF AWARDED

On November 8, 1989 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on January 24, 1989 and by Respondent Prudential-Bache Securities, Inc. on April 10, 1989 and Thomas Breen on May 8, 1989. The hearing was held in Los Angeles, California and lasted two sessions. 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 Prudential-Bache Securities, Inc. is solely liable for and shall pay to Claimant the sum of Twenty-Five Thousand Dollars and No Cents. (\$25,000.00).

2. The claim for punitive damages is hereby dismissed.

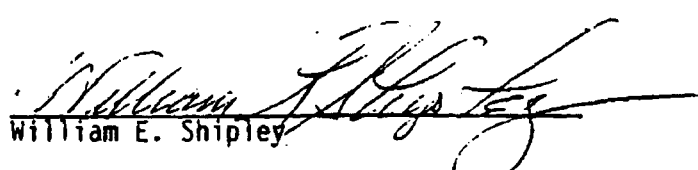
3. The parties shall each bear their respective costs including attorneys' fees.

4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. ("NASD") Code of Arbitration Procedure, the NASD shall retain the \$500.00 filing fee previously deposited by the Claimant.

OTHER ISSUES

The parties stipulated to the execution and service of the award in counterpart copies.

DATE SERVED: 11/30/89


William E. Shipley