

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	}	AWARD Case No. 89-1802
E. R. Wood and Gladys Wood		
Claimant(s)		
and		
Prudential Bache Securities, Inc.;		
Richard Ganley and Stephen P. Ziomek		
Respondent(s)		

CASE SUMMARY

In a claim filed with the NASD on or about June 22, 1989. Claimants E.R. Wood and Gladys Wood ("the Woods") alleged that Respondents Richard Ganley, ("Ganley"), Stephen Ziomek ("Ziomek") and Prudential Bache Securities, Inc. ("Pru-Bache") advised the Woods to sell their investment in the Prudential-Bache High Yield Fund on or about June 30, 1988. Thereafter, the Woods purchased interests in three limited partnerships. These were Summit Preferred Equity, L.P., V.M.S. Mortgage Investment Fund and Polaris Aircraft Income Fund IV. The Woods alleged inter alia in their Statement of Claim that they told Ziomek and Ganley that they "needed absolutely safe investments that would give us monthly income after age 65 and that would not have any fees attached." The Woods alleged that Ziomek said "there was no risk and no fees in any of these programs." The Woods alleged that these investments were unsuitable for them and that the degree of risk was never explained to them.

Pru-Bache, Ziomek and Ganley denied the allegations of the claim and alleged that the investments were suitable. Pru-Bache, Ziomek and Ganley alleged that various alternatives were presented to the Woods and that the Woods were provided with prospectuses describing in detail the specific investments. Also Pru-Bache, Ziomek and Ganley alleged that the Woods were informed of commissions to be charged and that the Woods had ample time to review the prospectuses and decide whether to invest before making the investments.

RELIEF REQUESTED

The Woods asked for damages of \$8,874 plus interest of \$16.48 per day from July 7, 1988 until payment of the award. Pru-Bache, Ziomek and Ganley requested dismissal of the claim in its entirety with prejudice.

AWARD

On Friday, February 16, 1990 in Phoenix, Arizona during a hearing lasting two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on June 19, 1989 by Claimants E.R. and Gladys Wood and on August 14, 1989 by Richard Dziedzula on behalf of Respondent Prudential-Bache Securities, Inc. Respondents Richard Ganley and Stephen P. Ziomek did not execute submissions to arbitration but are obligated to arbitrate the instant dispute pursuant to Section 12 of the NASD Code of Arbitration Procedure. Additionally, Respondent's counsel indicated for the record that they would agree to be bound by the arbitrator's decision on all issues submitted for his consideration.

The arbitrator, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Pru-Bache, Ganley and Ziomek are jointly and severally liable for and shall pay to the Woods the sum of Nine Hundred Dollars and No Cents (\$900.00);
2. The parties shall each bear their respective costs and expenses including any attorney's fees incurred in this matter; and
3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$200.00 filing fee previously deposited with the NASD by the Claimants and Pru-Bache is assessed and shall pay to the NASD, as additional forum fees, the sum of \$200.00.

Dated: 3/13/90

/S/

Stephen M. Venezia  
Presiding Arbitrator  
Stephen M. Venezia, Esq.