

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

SHARRYE J. TAYLOR

Claimant

and

PRUDENTIAL-BACHE SECURITIES, INC.

Respondent

Case No. 89-02479

CASE SUMMARY

In a Statement of Claim filed with the NASD on or about September 6, 1989, Claimant Sharrye J. Taylor ("Taylor") alleged that Respondent Prudential-Bache Securities, Inc. ("Prudential-Bache") sold Taylor unregistered securities in violation of the Kentucky Blue Sky Laws. The alleged unregistered securities were common stock in Banco Resources Ltd. and Manitou Reef Resources, Inc.

In a Statement of Answer filed with the NASD on or about November 24, 1989, Prudential-Bache alleged that Taylor's purchases were unequivocally unsolicited and asserted that the claim should be dismissed because it was not timely under the Kentucky Blue Sky Law. Prudential-Bache alleged that the claim was based upon transactions which occurred on September 10, 1985, June 12, 1985, December 18, 1985 and on or about April 19, 1985 which sales took place more than three years before the claim was filed. Additionally, Prudential-Bache alleged that Taylor was a resident of Kentucky and her account was domiciled in Kentucky during all relevant time periods.

RELIEF REQUESTED

Taylor requested a refund of her investment plus interest for a total sum of \$24,686.90. Prudential-Bache requested that the Statement of Claim be dismissed with prejudice.

PROCEDURAL SUMMARY

At the hearing on June 12, 1990, Prudential-Bache moved the panel to dismiss the claim on the basis of it being filed untimely under the Kentucky Blue Sky Law. Prudential-Bache argued that the claim was time barred because it was not filed until after the expiration of the three year statute of limitations. The panel denied the motion, the parties went forward with their proofs and Prudential-Bache was allowed to rely on any facts which supported its position.

AWARD

On Tuesday, June 12, 1990 in Nashville, Tennessee, during a hearing lasting one (1) session, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on August 18, 1989 by Claimant Sharrye J. Taylor and on November 22, 1989 by Ken Meister, First Vice-President on behalf of Respondent Prudential-Bache Securities, Inc.

The arbitration panel, 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. Taylor's claim shall be and is hereby dismissed in its entirety;
2. The parties shall each bear their respective costs and expenses including any attorneys' fees incurred in this matter; and
3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund \$300.00 of the filing fee previously deposited with the NASD by the Claimant, Taylor. Prudential-Bache is assessed and shall pay to the NASD the sum of \$200.00 as forum fees and the NASD will retain the remaining \$200.00 of the \$500.00 filing fee previously deposited by Taylor as her portion of assessed forum fees.

By the Panel

Dated: June 12, 1990 /S/ Joe C. Loser, Jr.

Dated: June 12, 1990 /S/ R. Patrick Shepherd

Dated: June 12, 990 /S/ Robert S. Patterson

Date Served: June 18, 1990