

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Priscilla Salem

89-02578

Name of Respondent(s)

Prudential-Bache Securities Inc.
Tom Harrington

Heard before:

Name	Public/Industry
_____	Public / Chair_
_____	Public_____
Sondra Taggart_____	Industry_____

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on November 15, 1989.

Claimant, Priscilla Salem (Salem), alleges that Respondent Tom Harrington (Harrington), while employed by Respondent Prudential-Bache Securities, Inc. (Prudential-Bache) sold Salem an interest in a bond fund in the amount of approximately \$110,019.49. Said fund declined in value by approximately \$21,000.00 and Salem alleges that she was induced by Harrington to switch to an equity fund in order to recoup her losses. Said fund experienced losses which taken together with the losses on the bond fund amounted to a total of \$33,024.00. Salem alleges that she was never informed of the nature of the underlying equities in the stock fund and was never given any prospectuses describing their risks.

Respondents allege that Salem was fully informed of the risks involved in the two funds and, in fact, had stated to Harrington that she was dissatisfied with the amount of income her funds were earning in her bank account. She was given written information about the funds and the prospectuses were given to her personally by Harrington.

RELIEF REQUESTED

Claimant seeks to recover out-of-pocket losses from unsuitable investments in excess of \$33,024.00, interest, attorneys' fees and costs.

Respondents, answering jointly, seek dismissal of the suit in its entirety.

AWARD

On February 8, 1991 in Los Angeles, California during a hearing lasting 2 sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Priscilla Salem on August 28, 1989 and signed by Respondent Thomas Harrington on December 1, 1989 and by Respondent, Prudential-Bache Securities, Inc. on December 7, 1989.

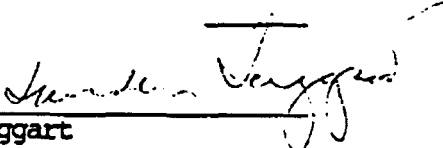
After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Each and every claim of Claimant, Priscilla Salem, against Respondents, Prudential Bache Securities Inc. and Thomas Harrington is dismissed.
2. No forum fees are assessed.
3. The parties shall each bear their respective costs including attorneys' fees.

FORUM FEES

In accordance with Section <43c/44c> of the NASD Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant.

Concurring Arbitrator(s) Signature


Sondra Taggart

Date of Decision: Mar 1 1991

Served 3/12/91