

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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IN THE MATTER OF THE ARBITRATION BETWEEN	:	
	:	
William D. Kerner	:	
	:	
Claimant	:	Case #89-02632
	:	
	:	AWARD
vs.	:	
	:	
	:	
Prudential-Bache Securities, Inc.	:	
Evan Bines	:	
	:	
Respondents	:	
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CASE SUMMARY

Claimant William D. Kerner alleged that Respondent Evan Bines, an employee of Respondent Prudential-Bache Securities, Inc., made various false representations and failed to disclose material facts in his recommendation to the Claimant that he invest in the VMS Mortgage Investment Fund and the Prudential-Bache Energy Income Partnership Series VI. Claimant further alleged that he relied, to his detriment, on these false representations, and that these two investments were unsuitable and inappropriate for the Claimant. Claimant also alleged that Respondent Prudential-Bache is responsible for the actions of Bines since Bines was acting as its agent.

Respondents Prudential-Bache and Evan Bines contended that the Claimant had considerable investment experience, and that Bines fully described the investments to the Claimant and provided the Claimant with copies of prospectuses prior to any finalization of sales. Respondents further contended that the Claimant made informed decisions to purchase with full knowledge of the inherent risks, and that the Respondents do not guarantee the results of investment products.

RELIEF REQUESTED

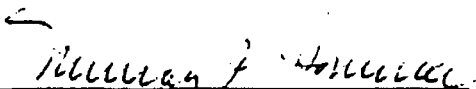
Claimant William D. Kerner requested actual damages of \$36,104.59 (less any money received from the sale of the Prudential-Bache Energy Income Partnership Series VI), plus interest, punitive damages, penalties, costs, and attorney's fees. Respondents Prudential-Bache Securities, Inc. and Evan Bines requested that the Statement of Claim be dismissed in its entirety with prejudice.

AWARD

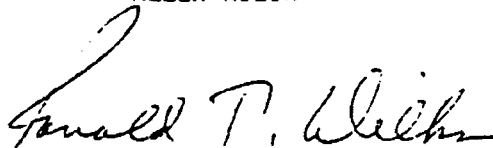
On June 20 and July 20, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant William D. Kerner on September 19, 1989, by Respondent Prudential-Bache Securities, Inc. on November 1, 1989 and by Respondent Evan Bines on June 20, 1990. The hearing was conducted at the offices of the National Association of Securities Dealers, Inc. in New York City, NY and consisted of three (3) hearing 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. Respondents Prudential-Bache Securities, Inc. and Evan Bines be and hereby are jointly and severally liable and shall pay to the Claimant William D. Kerner the sum of Twenty Nine Thousand Nine Hundred Twenty Four Dollars and Fifty Nine Cents (\$29,924.59), inclusive of interest.
2. The parties shall each bear their respective costs including attorney's fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimant and the Claimant be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Four Hundred Dollars and No Cents (\$400.00) and Respondents Prudential-Bache Securities, Inc. and Evan Bines be and hereby are jointly and severally liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Four Hundred Dollars and No Cents (\$400.00), as costs of the three (3) hearing sessions conducted in this matter.

CONCURRING ARBITRATORS

  
MURRAY I. SOMMER

  
ALLEN KILIK

  
RONALD DILKS

DATED: August 18th, 1990