

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
Linda Quirk)	Claimant
vs.)	
Prudential-Bache Securities,)	
Inc.)	Respondent
)	AWARD
)	CASE NO. 90-00643

SUMMARY OF ISSUES

Claimant alleged Respondent misrepresented the risks and suitability in accordance with Claimant's financial objectives and station in life in the recommended investment in a limited partnership interest in Spendthrift Thoroughbred Breeding No. 1. Claimant alleged the Private Placement Memorandum for this partnership contained material misrepresentations and omissions of fact, and that Respondent failed to conduct sufficient and proper due diligence with respect to the statements made in the offering documents. Claimant further alleged breach of fiduciary duty, fraud and negligence by Respondent.

Respondent denied all allegations. Respondent asserted the high risks involved in the limited partnership were fully disclosed in the offering documents. Respondent denied liability for any losses suffered by Claimant, stating that it acted as selling agent only and had no part in the management of the limited partnership. Respondent also asserted that Claimant met all the qualifications for investment.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages of \$37,500.00 plus interest paid on the promissory note of \$7,592.00.

Respondent requested dismissal of all claims and an award of costs of arbitration and attorney's fees.

DAMAGES AND RELIEF AWARDED

This claim was filed with the NASD on March 5, 1990. On October 9, 10, 11 and 12, 1990, the undersigned arbitrators heard the controversy between the parties, as set forth in submissions to arbitration signed by Claimant on February 28, 1990, and by an authorized representative of Prudential-Bache Securities on March 29, 1990. The hearing was conducted in Seattle, Washington, and lasted eight (8) 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 as follows:

1. Respondent is liable for and shall pay to Claimant the sum of \$10,000.00 exactly.
2. The parties shall each bear their respective costs including attorneys' fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant. Claimant is assessed an additional \$1,200 in forum fees. Respondent is assessed \$1,600.00 in forum fees. All forum fees are payable to the NASD.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

DATE SERVED: 01/02/91

Robert E. Mason
Robert E. Mason