

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Tarunkant & Bharati Mithani

90-01689

Name of Respondent

Prudential Securities, Inc.

REPRESENTATION

For Claimants: Anthony J. Hom, Esq.

For Respondent: Kevin B. Hurley, Esq., in-house counsel.

CASE INFORMATION

Statement of Claim filed: June 14, 1990.

Claimants' Submission Agreement signed: June 12, 1990.

Statement of Answer filed by Prudential Securities, Inc.: February 4, 1991.

Prudential's Submission Agreement signed: February 6, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: September 12, 1991/ 2 sessions- Prehearing
Conference with full Panel;

September 23, 1991/ 2 sessions- Regular Hearing;

October 02, 1991/ 2 sessions- Regular Hearing;

October 23, 1991/ 2 sessions- Regular Hearing.

Total Sessions= 8

Hearing Location: Philadelphia, PA.

CASE SUMMARY

Claimants, Tarunkant and Bharati Mithani (collectively, "Claimants"), alleged that the Respondent, Prudential Securities, Inc. ("Prudential"), misrepresented the financial projections, and other material facts, in the Offering Materials of the Frenchman's Reef Beach Associates Limited Partnership, and that the Claimants relied on this misrepresentations when they purchased this investment. The Claimants also alleged that Prudential failed to disclose the risks associated with this investment, and that the recommendation that the Claimants invest in this partnership was unsuitable. Further, the Claimants alleged that Prudential failed to properly supervise its employee, the Claimants' broker, who sold this investment to the Claimants.

Prudential denied the allegations made against it, and contended that all material facts were fully disclosed to the Claimants in the Private Placement Memorandum and related subscription documents, and that the Claimants were sophisticated investors who purchased this investment with full knowledge of the risks involved.

RELIEF REQUESTED

Claimants requested actual damages of \$61,381.65, plus interest and costs. Prudential requested dismissal of all claims made against it, plus costs.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies. Therefore, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

The Claimants had named Laventhol & Horwath and VMS Securities, Inc. as additional respondents in this matter. Laventhol & Horwath is not a member of the NASD and would not voluntarily submit to this arbitration. Therefore, Laventhol & Horwath was removed, without prejudice, from this arbitration. In addition, prior to the commencement of the first hearing session, the Claimant settled all claims with VMS Securities and subsequently withdrew all claims, with prejudice, against VMS Securities, Inc.

The Claimants rested their case on October 23, 1991. At that point the only remaining Respondent, Prudential Securities, Inc., moved to dismiss the Claimants' claims as being time barred under the applicable statutes of limitations. The Panel granted this motion as to the Claimants' federal securities laws claims and Pennsylvania securities laws claims. The case then proceeded only on the Claimants' Pennsylvania common law claims.

AWARD

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

1. All claims against Respondent Prudential Securities, Inc. be and hereby are dismissed in all respects.
2. The parties each shall bear their respective costs including attorneys' fees.

Page 3
NASD No. 90-01689
Mithani Award

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed:

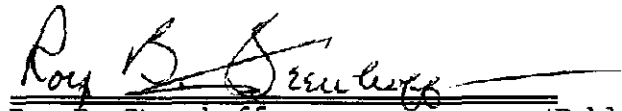
8 sessions x \$500.00 per session = \$4,000.00

Plus

Claim Filing Fee	+ 150.00
Total due to the NASD	<u>\$4,150.00</u>

The NASD shall retain the \$500.00 previously deposited by the Claimants, and the Claimants shall be liable and pay to the NASD the sum of \$1,825.00 in Forum Fees. In addition, Prudential Securities shall be liable and pay to the NASD \$1,825.00 in Forum Fees.

Concurring Arbitrators' Signatures



Roy B. Steenhoff (Public Arbitrator)

Date: November 6, 1991

Page 3
NASD No. 90-01689
Mithani Award

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Concurring Arbitrators' Signatures

Donald L. Bruton
Donald L. Bruton, Chairperson (Public Arbitrator)

Date: 11/8/91

Page 3
NASD No. 90-01689
Mithani Award

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Concurring Arbitrators' Signatures



Ronald R. Zungolo (Industry Arbitrator)

Date:

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Concurring Arbitrators' Signatures

/s/
Donald L. Bruton, Chairperson (Public Arbitrator)

/s/
Roy B. Steenhoff (Public Arbitrator)

/s/
Ronald R. Zungolo (Industry Arbitrator)

Date of Decision: November 12, 1991.