

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Thomas & Charlotte Johnston

90-02299

Name of Respondent(s)

Prudential-Bache Securities Inc.

Don P. Wyse

REPRESENTATION

For Claimant: Walter S. Weiss

For Respondent: Neil S. Robb

CASE INFORMATION

Statement of Claim filed: August 21, 1990

Claimant's Submission Agreement signed on: August 13, 1990

Statement of Answer filed by Respondent, on: February 11, 1991

Respondent, Prudential-Bache Securities, Inc.'s Submission Agreement signed on: February 8, 1991.

Respondent, Don P. Wyse's Submission Agreement signed on: February 7, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: July 24, 25, 30 and 31, 1991. Eight Sessions.

Prehearing Conference: July 15, 1991

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondents, Prudential-Bache Securities, Inc. and Don P. Wyse induced Claimants, Thomas S. Johnston and Charlotte C. Johnston, to sell treasury notes held in their account and to purchase various corporate bonds and corporate income funds. Said purchases, it is alleged, were made due to misrepresentations made as to the maturity dates of the treasury notes in Claimants' account. Claimants allege that they never would have sold the treasury notes and replaced them with said securities had they been made aware of the risks involved in the various bond funds. Claimants also assert that Respondent, Prudential-Bache Securities, Inc. charged excessive and unreasonable mark-ups for the transactions at issue.

Respondents, answering jointly, alleged that at no time did Respondents misrepresent the maturity dates on the treasury notes and that Claimants made a voluntary and knowing decision to sell said notes and purchase other securities in the hopes of generating more income.

RELIEF REQUESTED

Claimants requested: Rescission and restitution, damages according to proof, treble damages for Civil RICO, punitive damages, attorneys' fees, and costs.

Respondents requested: Dismissal of the claim in its entirety, attorney's fees and costs.

AWARD

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

1. Each and every claim of Claimants, Thomas S. Johnston and Charlotte C. Johnston, against Respondent Prudential-Bache Securities, Inc. is dismissed.
2. Each and every claim of Claimants, Thomas S. Johnston and Charlotte C. Johnston, against Respondent Don P. Wyse is dismissed.
3. The parties shall each bear their respective costs and fees.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed. Nine sessions @ \$1,000.00 per session = \$9,000.00.

Forum fees Assessed Against: Claimants Thomas S. and Charlotte C. Johnston in the amount of \$4,500.00, minus the hearing session deposit of \$1,000.00 = \$3,500.00 due.

Forum fees Assessed Against: Respondents Prudential-Bache Securities and Don P. Wyse, jointly, in the amount of \$4,500.00.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Signatures

Andrew J. Sorenson
Andrew J. Sorenson

Date of Decision: _____

Case Served 9/9/91