

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Carol Ford

NASD Arbitration
No. 90-02829

Name of Respondent

Prudential-Bache Securities, Inc.
Charles G. Salisbury
Pruco Securities Corporation
The Prudential Insurance Company
Badri Gleason

REPRESENTATION

For Claimant: Jeffrey M. Jones, Esq. - Law Office of Archibald M. Mull, III,
Sacramento, California

For Respondents, Prudential-Bache Securities, Inc. and Charles G. Salisbury:
E. Scott Palmer, Esq. - Keesal, Young & Logan - Long Beach,
California

For Respondents, Pruco Securities Corporation and The Prudential Insurance Co. and
Badri Gleason:
Patrick J. Sullivan, Esq. - Sullivan & Ward - San Diego, Ca.

CASE INFORMATION

Amended Statement of Claim filed: January 6, 1992

Claimant's Submission Agreement signed on: July 31, 1991

Joint Statement of Answer filed by Respondents, Prudential Securities, Inc. and
Charles G. Salisbury on: December 26, 1991

Joint Statement of Answer filed by Respondents; Pruco Securities Corporation, The
Prudential Insurance Co. and Badri Gleason filed on May 18, 1992

HEARING INFORMATION

Pre-Hearing Conference: March 11, 1992 - One Session

Hearing Dates/Sessions: November 10, 1992 - Two Sessions
November 11, 1992 - Two Sessions
November 12, 1992 - Two Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant, Carol Ford (Ford), alleged that Respondent, Badri Gleason (Gleason), while employed by Respondent, Pruco Securities, a subsidiary of Prudential Insurance Co., sold to Ford a variable life policy instead of the whole life policy which she expressly requested. Ford alleged that the sale was made in order to generate higher commissions for Gleason.

Respondent(s) alleged that Ford was a sophisticated investor who knew and was aware of all risks associated with her investments and transactions in her account with Respondents and voluntarily assumed said risks and that Ford suffered no loss as a result of her purchase of the policy.

RELIEF REQUESTED

Claimant requested rescission of all transactions and a return of Claimant's investment of \$450,000.00 plus ten percent interest from the date of the investments, less any payments received; interest and penalties incurred by Claimant from federal and state taxing agencies as a result of Claimant's failure to timely pay her tax liability when due; punitive damages; attorneys' fees and costs of suit.

Respondent requested dismissal of the claim in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

Prior to the hearing, the Claimant settled all claims against Respondents, Prudential-Bache Securities, Inc., and Charles G. Salisbury.

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

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 Claimant, Carol Ford, against Respondents, Prudential Insurance Company, Pruco Securities Corporation and Badri Gleason is dismissed.
2. The parties shall each bear their respective costs and fees.

FORUM FEES

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

1. The NASD shall retain the \$750.00 hearing session deposit made by Claimant as an assessment of forum fees.
2. Pruco Securities Company and Prudential Life Insurance Company are jointly and severally assessed and shall pay to the NASD the sum of \$4,800.00 representing assessment for 6 hearing sessions at \$750.00 each plus \$300.00 for one pre-hearing conference.

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

ARBITRATORS

Public/Industry
Public Chairperson
Public Panelist
Industry Panelist

Concurring Arbitrators' Signatures

Frank Milton Hodgson

Date of Decision: _____

Served November 24, 1992