

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

R.C. Harrington :

Claimant :

vs. :

Prudential Securities, Inc. :

Respondent :

CASE #91-00390
AWARD

CASE SUMMARY

Claimant R.C. Harrington, Pro Se, in a claim filed with the National Association of Securities Dealers, Inc. on February 6, 1991, alleged that his broker William Cox at Prudential-Bache Securities, Inc. now known as Prudential Securities, Inc., made an unsuitable recommendation to purchase RAC Mortgage Investment Corporation stock. Claimant alleged that the speculative nature of this investment was misrepresented to him and that at a previous meeting with Mr. Cox, Claimant had emphasized that he would only purchase conservative investments. Claimant also alleged that William Cox stated that he would inform Claimant of any substantial changes in share value which he failed to do.

Respondent, Prudential-Bache Securities, Inc. now known as Prudential Securities, Inc., represented by Ron Jamison, Esq., New York, NY, maintained that Claimant was provided with a prospectus indicating potential risks, the detailed disclosure of which belie Claimants' allegations of misrepresentation. Respondent continues that the short-term interest climate in 1988-89 had a severely adverse impact on real estate investment trusts like RAC - a fact that Respondent could not reasonably predict.

RELIEF REQUESTED

Claimant requests Four Thousand Eight Hundred Twenty-Eight Dollars and Nine Cents (\$4,828.09) in damages.

Respondent requests dismissal of the Claim in its entirety and asserts a Counterclaim for the cost of defending this allegedly frivolous suit.

Respondent failed to submit a filing fee for the counterclaim.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, David N. Burn, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 28, 1991 and by the Respondent on June 11, 1991;

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That the Respondent Prudential-Bache Securities, Inc. now known as Prudential Securities, Inc. is liable and shall pay to Claimant R.C. Harrington the sum of Four Thousand Eight Hundred Twenty-Eight Dollars and Nine Cents (\$4,828.09).
2. The parties shall bear their respective costs including attorney's fees.
3. The One Hundred Twenty-Five Dollar (\$125) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. and is assessed against the Respondent Prudential Securities, Inc. who shall pay One Hundred Twenty-Five Dollars (\$125) to the Claimant R.C. Harrington.

AFFIRMATION

I, DAVID N. BURN, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

DATED: 10/7/91