

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Keren Hachessed of Monsey, Inc.

91-01003

Name of Respondent

Prudential-Bache Securities, Inc.

REPRESENTATION

For Claimant: John J. Phelan, III, Esq. of the law firm of Phelan & Costello, P.C.

For Respondent: Jeffrey Sims, Esq. of the law firm of Wilson, Elser, Moskowitz, Edelman & Dicker.

CASE INFORMATION

Statement of Claim filed: April 2, 1991.

Claimant's Submission Agreement signed on: December 15, 1990.

Statement of Answer filed by Respondent Prudential-Bache Securities, Inc. on: May 14, 1991.

Respondent Prudential-Bache Securities, Inc.'s Submission Agreement signed on: August 5, 1991.

HEARING INFORMATION

Hearing Dates and Sessions: September 5, 1991, 2 Sessions

Hearing Location: Offices of the National Association of Securities Dealers, Inc. located in New York, NY.

CASE SUMMARY

Claimant alleged that Respondent with full knowledge of the kind of organization Claimant represents and its extremely conservative investment needs and objectives, recommended to Claimant that they invest in shares of The Prudential Statagic Income Fund which was completely unsuitable for the Claimant. The Claimant further alleged the Respondent made misrepresentations to the Claimant concerning their investment in The Prudential Statagic Income Fund.

Respondent Prudential-Bache Securities, Inc. maintained the Claimant knew the investment in The Prudential Statagic Income Fund was an investment which was subject to market risk and that the rate of interest was also subject to change and the actions of the Claimant ratified the transactions. Respondent Prudential-Bache Securities, Inc. further maintained the Respondent was not aware of the purpose of Claimant's organizations and the Claimant received a prospectus before the order which explained the inherent risks of the investment and the Officers and/or Trustees and/or Fiduciaries for Claimant are responsible for any damages since they knew about the nature and risks of the investment and chose to hold it.

RELIEF REQUESTED

Claimant requested damages of \$70,522.32 plus interest and reimbursement of the costs and forum fees for the proceeding.

Respondent requested that an award be granted dismissing the entire claim with prejudice.

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. The Respondent Prudential-Bache Securities, Inc. be and hereby is liable and shall pay to the Claimant Keren Hachessed of Monsey, Inc. the sum of \$55,802.34 inclusive of interest.
2. The parties shall each bear their respective cost, including attorneys' fees.

FORUM FEES

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

2 sessions X \$500.00 = \$1,000.00 minus hearing session deposited
of \$500.00 = net \$500.00.

The Respondent Prudential-Bache Securities, Inc. be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of \$500.00 to represent forum fees.

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

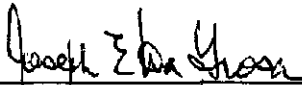
ARBITRATOR SIGNATURES



Allen Kilik
Public Arbitrator



Leah G. Rabinowitz
Public Arbitrator



Joseph E. DaGrosa
Industry Arbitrator

Date of Decision: October 10, 1991