

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Anne Wilson

vs.

Case#  
91-01017

Name of Respondent

Prudential Securities, Inc.  
Kenneth Michael Osler

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**REPRESENTATION**

For Claimant: Laurence S. Schultz, Esq. of Driggers, Schultz, Herbst & Paterson.

For Respondent: Miles D. Hart, Esq. of Hertz, Schram & Saretsky, P.C.

**CASE INFORMATION**

Statement of Claim filed: March 29, 1991.

Claimant's Submission Agreement signed on: March 8, 1991.

Statement of Answer filed by Respondent, Kenneth Osler on: August 5, 1991.

Respondent, Kenneth Osler's Submission Agreement signed on: June 7, 1993.

**HEARING INFORMATION**

Hearing Dates/Sessions:    September 29, 1993 - 2 Sessions  
                                     September 30, 1993 - 2 Sessions  
                                     October 18, 1993   - 2 Sessions  
                                     October 20, 1993   - 1 Session  
                                     November 18, 1993 - 1 Session

Hearing Location: American Arbitration Association - Southfield, MI.

CASE SUMMARY

Claimant alleges that Respondent, Kenneth Osler ("Osler") and her ex-husband made all their investment decisions and Claimant relied entirely upon her husband for financial support. Claimant alleges that after her divorce, she was completely dependent on Osler for investment advice.

Claimant alleges that she explained to Osler that her investment objectives were income and the preservation of capital and that all investments were to be low-risk, safe and available to meet her expenses.

Claimant alleges that Osler recommended and she purchased, several unsuitable limited partnerships. Claimant alleges that these investments were illiquid, speculative and high risk tax shelters and that Osler misrepresented and omitted material facts in connection with the sale of the partnerships.

Claimant alleges that Osler engaged in unauthorized and excessive trading in mutual funds which generated unnecessary commissions and principal losses contrary to her investment needs. Claimant also alleges that Osler purchased unsuitable, high risk debentures for her account.

Respondent, Osler maintains that subsequent to the Claimant's divorce, Claimant contacted him to ask him to provide a hypothetical \$200,000.00 investment portfolio. Osler maintains that he provided the model portfolio to the Claimant and that it consisted of taxable and non-taxable treasury notes, municipal bonds and certificates of deposit. Osler maintains that the balance of the model portfolio consisted of growth funds, an energy income program and possible real estate appreciation, pursuant to prior discussions with the Claimant.

Osler maintains that the Claimant was very concerned about income tax liability and directed him to consider other investments which would lower taxes. Osler maintains that Claimant indicated on a "prospective offeree financial status report" that her main investment objective were tax deduction, appreciation and tax sheltered income.

Osler maintains that the Claimant was in all respects reasonably suited for the recommendations made by Osler, once she had clearly identified her objectives. Osler maintains that each trade was discussed with the Claimant before it was executed and that claimant was not unsophisticated or naive.

**RELIEF REQUESTED**

Claimant requested damages in the amount of \$247,780.00 including interest, plus excessive commissions, attorneys fees, interest from date of claim to date of award, punitive damages and treble damages in an unspecified amount.

Respondent requested that the arbitrators dismiss the Claimant's claims and award him costs and attorneys fees.

**OTHER ISSUES CONSIDERED & DECIDED**

By letter dated June 3, 1993, Claimant dismissed all her claims against Respondent, Prudential Securities, Inc.

**AWARD**

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

1. The claims of the Claimant are hereby denied in their entirety.
2. Each party shall bear their respective costs of this action, including attorney's fees.

**FORUM FEES**

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

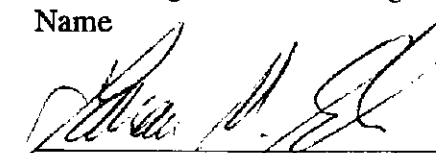
\$250.00	Non-refundable filing fee.
\$8,000.00	Hearing session fees (8 sessions x \$1,000.00).

1. Total forum fees in the amount of \$8,250.00 are hereby assessed against the Claimant. Claimant is entitled to offset this amount with the \$1,250.00 previously paid to the NASD, Inc.. Claimant is directed to pay the balance of \$7,000.00 to the NASD, Inc.

ARBITRATION PANEL

Richard G. Porter	-	Public Chairperson
Lawrence M. Elkus, Esq.	-	Public Panelist
John R. Main	-	Industry Panelist

Concurring Arbitrator's Signature  
Name

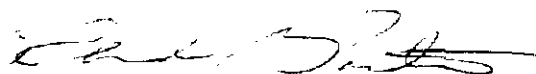
  
Lawrence M. Elkus, Esq.

Date of Decision: January 11, 1994

ARBITRATION PANEL

Richard G. Porter	-	Public Chairperson
Lawrence M. Elkus, Esq.	-	Public Panelist
John R. Main	-	Industry Panelist

Concurring Arbitrator's Signature  
Name

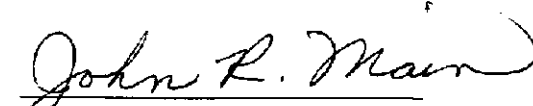
  
Richard G. Porter, Esq.

Date of Decision: January 11, 1994

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John R. Main

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