

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Stanley Grant Hughes, Jr.

Claimant

Case #91-01341

AWARD

vs.

Prudential-Bache Securities, Inc. n/k/a  
Prudential Securities, Inc. and Sigrid Pate

Respondents

CASE SUMMARY

Pro Se Claimant, Stanley Grant Hughes, Jr. in a claim filed with the National Association of Securities Dealers, Inc. on April 29, 1991, alleged that Respondent Sigrid Pate, a registered representative at Prudential-Bache Securities, Inc., now known as Prudential Securities, Inc. recommended an unsuitable, high commission investment which is now almost worthless. The purchase in question is Prudential-Bache/VSM Mortgage Investment Fund. He stated that Ms. Pate failed to keep him informed so that he could make an informed decision to sell.

Respondents, Prudential-Bache Securities, Inc. and Sigrid Pate by their attorney Jim Capezzuto, New York, New York maintained that Claimant is a sophisticated investor, that the fund recommended by Mr. Pate was in line with Claimant's objectives, that Claimant received a prospectus setting forth the risks associated with the fund and that Claimant clearly believed the potential return outweighed the risks.

RELIEF REQUESTED

Claimant requested Ten Thousand Dollars and No Cents (\$10,000.00) in damages in exchange for the shares of the YFS Fund that he now holds.

Respondents requested that the Claim be denied in its entirety and asserts a counterclaim for costs.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Harvey C. Flodin was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on April 19, 1991 and by the Respondent Prudential-Bache Securities on September 17, 1991 and not signed by Respondent Sigrid Pate as required by

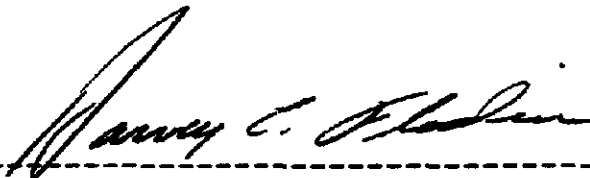
Section 13 of the Code of Arbitration Procedure despite due notice being given.

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. Respondents Prudential-Bache Securities, Inc. and Sigrid Pate are jointly and severally liable and shall pay to the Claimant Stanley Grant Hughes, Jr. the sum of Four Thousand Three Hundred Seventy Five Dollars and No Cents (\$4,375.00);
2. The counterclaim of the Respondents Prudential-Bache Securities, Inc. and Sigrid Pate be and hereby is dismissed;
3. The parties shall bear their respective costs;
4. The One Hundred Fifty Dollar and No Cents (\$150.00) 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 jointly against the Respondents who shall jointly pay One Hundred Fifty Dollars and No Cents (\$150.00) directly to the Claimant as reimbursement.

AFFIRMATION

I, HARVEY C. FLODIN, 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.



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Signature of Arbitrator