

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
: Susan M. Heist :
F/B/O David B. Loose :
: Claimant :
: CASE #91-01954 :
vs. : AWARD :
: Prudential Securities, Inc. :
: Respondent :

CASE SUMMARY

Pro se Claimant Susan M. Heist, in a claim filed with the National Association of Securities Dealers, Inc. on June 25, 1991, alleged that Respondent Prudential Securities, Inc. recommended the purchase of 400 shares of First Executive Corporation preferred stock stating that the investment was safe and had a relatively high yield. Claimant alleged that she later discovered that a large portion of its holdings were in junk bonds and experienced losses in the investment when she had originally advised the Respondent that her investment objectives were safety of principal and income.

Respondent Prudential Securities, Inc. represented by in-house counsel, George C. McGuigan, Jr., Esq., maintained that the Respondent recommended the First Executive Corporation stock in good faith, relying on well-respected industry reports regarding the corporation. Respondent maintained that market conditions beyond Respondent's control caused the decline in the share price of the preferred stock.

RELIEF REQUESTED

Claimant requested that her investment in First Executive Corporation stock be rescinded. Respondent requested that the claims of the Claimant be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single

public arbitrator, Robert F. Sanville, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 20, 1991 and by the Respondent on August 12, 1991, respectively;

And, 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. The claims of the Claimant against the Respondent be and hereby are dismissed.
2. The parties shall hear their respective costs.
3. The One Hundred Fifty Dollar (\$150) 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 Respondent Prudential Securities, Inc. who shall pay One Hundred Fifty Dollars (\$150) directly to the Claimant as reimbursement of the filing fee.

AFFIRMATION

I, ROBERT F. SANVILLE, 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: *December 6, 1991*

DATED BY THE NASD, INC.: December 10, 1991