

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
One East Broward Boulevard
Suite 1000
Ft. Lauderdale, Florida 33301
(305) 522-7391

In the Matter of the Arbitration Between

Name of Claimant(s)

Ann F. Raikunen

91-03942

Name of Respondent(s)

Prudential-Bache Securities Inc.

REPRESENTATION

Claimant: pro se.

For Respondent: Stephen Z. Frank, Esq. of Prudential Securities, Inc.

CASE INFORMATION

Statement of Claim filed: December 12, 1991.

Claimant's Submission Agreement signed on: November 26, 1991.

Statement of Answer filed by Respondent: February 19, 1992.

Respondent's Submission Agreement signed on: February 18, 1992 by Joel Levinson behalf of the firm.

CASE SUMMARY

Claimant, Ann F. Raikunen, alleged that Respondent, Prudential Securities, Inc., misrepresented her investment in connection with her purchase in October of 1988 of 1,550 shares of VMS Mortgage investment fund ("VMS") at \$10.00 per share. Claimant alleged that she purchased the stock for added monthly income but that after a year she received no income and that the price of the securities dropped to .75 per share. Claimant contended that according to published newspaper articles Respondent obviously knew that the VMS investment fund was not as presented when sold to her therefore Claimant is requesting that Respondent return the balance of her original capital.

Respondent maintained that the allegations within the Statement of Claim are totally without merit or foundation; that Claimant is a sophisticated investor with a previous history of investing in limited partnerships; that Claimant was fully informed of all applicable features and risks of her purchase prior to authorizing its purchase; that all representations made to

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Claimant by Respondent were consistent with the prospectus and that Claimant was continuously apprised and notified of the gradual, steady decline of the price of shares of VMS by her receipt of monthly account statements. Respondent contended that the fact that Claimant invested in VMS and it did not do as well as guaranteed by VMS does not mean that it was misrepresented by Respondent and that it is only with the benefit of current hindsight that Claimant can attempt to allege any improprieties on the part of Respondent.

RELIEF REQUESTED

Claimant requested the return of the balance of her original capital of \$14,337.50 plus punitive damages in the amount of \$14,337.50.

Respondent requested that the Statement of Claim be dismissed in its entirety and that Claimant be required to pay all filing fees and related expenses.

AWARD

After considering the pleadings, the testimony and the evidence presented, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Prudential Securities, Inc., is found liable and shall pay to Claimant the sum of Six Thousand One Hundred Ninety Three Dollars and Ninety Five Cents (\$6,193.95) including interest;
2. Claimant's Claim for punitive damages shall be and is hereby denied;
3. Each party shall bear its own costs.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD, Inc. shall retain the \$100.00 non-refundable deposit and the \$300.00 hearing session deposit previously deposited by Claimant and the arbitrator has assessed forum fees as follows:

(One telephone conference held-4/14/92 X \$300.00 = \$300.00).

1. No forum fees are assessed against Claimant;
2. Respondent, Prudential Securities, Inc., is assessed forum fees in the amount of \$300.00 payable directly to the Claimant.

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ARBITRATOR

Concurring Arbitrator's Signature

Name

Robert Herschmann
Robert Herschmann, Esq.
(Sole Public Arbitrator)

Date of Decision: June 4, 1992