

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

PUBLIC

In the Matter of the Arbitration Between

Name of Claimant(s)

Wilbur & Beatrice Schreiber

vs.

92-00808

Name of Respondent(s)

Prudential Securities Inc
Ed O'Neill

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 6, 1992, Claimants Wilbur & Beatrice Schreiber, through their representative Paul N. Young of Securities Arbitration Group, Inc., Los Angeles, CA, alleged that Respondent Prudential Securities, Inc., through its registered representative, Ed O'Neill, made misrepresentations misleading the Claimants into investing in an unsuitable investment, Putnam High Income Government Trust, and that the Respondents should have advised them of a safer vehicle. The Claimants further alleged that had the degree of risk regarding this fund been disclosed, the Claimants would not have purchased the product. The Claimants contended that if the Respondent firm had been providing proper supervision and oversight to its broker, the purchase would have been canceled at the beginning and the Claimants would not have suffered a loss of principal and interest, but that they have suffered a loss for which they should be compensated.

Respondents Prudential Securities, Inc. and Ed O'Neill, through their in-house counsel David Burns, Esq., maintained that this investment was suitable for the Claimants considering their objectives, and that they were furnished with a prospectus and given time to ask questions before the Claimants decided to invest in the Putnam High Income Government Trust Fund. The Respondents further maintained that although it is unfortunate that this investment has not performed as well as the Claimants anticipated, any losses incurred are not the result of any wrongdoing on the part of the Respondents.

RELIEF REQUESTED

Claimants Wilbur & Beatrice Schreiber requested \$5,389.54 in actual damages, plus interest in the amount of \$10,304.00.

Respondent Prudential Securities, Inc. and Ed O'Neill requested the claims of the Claimants be dismissed.

AWARD


Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Eugene Kramer, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on February 26, 1992 and not signed by the Respondents as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

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 Claimants Wilbur & Beatrice Schreiber against Respondents Prudential Securities, Inc. and Ed O'Neill are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. Respondent Prudential Securities, Inc. shall pay to the Claimants Wilbur & Beatrice Schreiber \$75.00 as reimbursement of one-half of the filing fee.

AFFIRMATION

I, **EUGENE KRAMER**, 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

DATE OF DECISION: December 10, 1992.