

PUBLIC

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
Howard M. & Dianne A. Grant :
Claimants :
vs. : CASE #92-01571
Prudential Securities, Inc. : AWARD
Respondent :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 7, 1992, Claimants Howard M. & Dianne A. Grant, who appeared Pro Se, alleged that Respondent Prudential Securities, Inc. misled them into investing in the Prudential-Bache Government Intermediate Fund which they were led to believe was in accordance with their investment objectives of liquidity, safety and return, but that they were not given a prospectus to review, having only the registered representative's verbal information to use in order to decide if they wanted to invest in this security. The Claimants further alleged that when they saw that the fund was not performing as they were assured it would by the Respondent, they ordered half of it to be sold, and when the Respondent refused to make a compromise, they insisted the rest of the investment be sold, which caused a loss to the Claimant.

Respondent Prudential Securities, Inc., through it's in-house counsel, James Capezzuto, Esq., maintained that the Claimants authorized and accepted each of the transactions, and that the Respondent handled the Claimants' account properly and in accordance with the "know your customer" rule of the New York Stock Exchange and the "suitability rule" of the NASD. The Respondent further maintained that this investment was in accordance with the Claimants' investment objective and that any losses sustained by the Claimants are attributable to market conditions, not to any action or inaction on the Respondent's part. The Respondent contended that this claim is time barred, since they waited five years from the date of their purchase to file this complaint.

RELIEF REQUESTED

Claimants, Howard M. & Dianne A. Grant requested \$8,293.85 in actual damages, plus interest, attorney's fees and return of the NASD filing fee.

Respondent Prudential Securities, Inc. 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, J. Gregory Yawman, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on May 1, 1992 and not signed by the Respondent 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. Respondent Prudential Securities, Inc. is liable and shall pay to Claimants Howard M. and Dianne A. Grant \$8,293.85 in actual damages, plus interest in the amount of \$4,379.99.
2. Respondent Prudential Securities, Inc. is liable and shall pay to Claimants Howard M. and Dianne A. Grant \$160.80 in attorney's fees.
3. The parties shall bear their respective costs.
4. 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 \$150.00 to the Claimant as reimbursement.

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AFFIRMATION

I, J. GREGORY YAMMAN, 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: September 10, 1992