

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Harriet A. Feiner

92-01978

Name of Respondents

Prudential Securities Inc
Stephen J. Hall

REPRESENTATION

For Claimant: Barry Smith, Esq., a sole practitioner.

For Respondent: David L. Becker, Esq. of Prudential Securities, Inc.

CASE INFORMATION

Statement of Claim filed: June 12, 1992.

Claimant's Submission Agreement signed on: June 9, 1992.

Joint Statement of Answer filed by Respondents, Stephen J. Hall and Prudential Securities, Inc.
on: August 3, 1992.

Respondent, Prudential Securities Inc.'s Submission Agreement signed on: February 9, 1993.

Respondent, Stephen J. Hall's Submission Agreement signed on: February 24, 1993.

HEARING INFORMATION

Hearing Dates/Sessions: May 27, 1993/Two sessions
 May 28, 1993/Two sessions

Hearing Location: NASD offices located in New York City.

CASE SUMMARY

Claimant alleges that Respondent Stephen J. Hall ("Hall") advised her to invest her entire pension fund into the Prudential Strategic Income Fund ("Fund") and assured her that the Fund was an extremely safe investment and would provide a secure 12% annual return. Claimant further alleges that Respondents failed to disclose that the Fund was unsuitable for Claimant's account and that investing the entire pension fund into one investment was not prudent. In addition, Claimant alleges that Respondent Prudential Securities, Inc. (Prudential") failed to properly supervise Claimant's account and that Respondents Prudential and Hall are liable for breach of contract, breach of fiduciary duty, professional malpractice, statutory and common law fraud.

Respondents maintain that, prior to making the investment, Claimant was advised that any anticipated yield was not guaranteed and that, at the time she made the investment, she was provided with a prospectus which detailed the risks of the Fund. Respondents also maintain that if Claimant held the Fund she would have received distributions which would leave her in a profitable position. Respondents also maintain that the Claim is based in large part on alleged violations of the NASD rules and maintain that no private right of action exists for such violations.

RELIEF REQUESTED

Claimant requested an award of compensatory damages in the sum of \$54,871 or, in the alternative, the sum of \$44,810 plus legal fees and expert witness fees.

Respondents requested that the Claim be dismissed in its entirety and that all costs be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents made a motion to dismiss the case as time-barred pursuant to Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 thereunder. Respondents' motion is hereby denied. This matter was resolved on the merits of the Claim.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- a) Respondent, Stephen J. Hall is hereby liable and shall pay to Claimant Harriet A. Feiner the sum of \$1,072.68 (ONE THOUSAND SEVENTY TWO DOLLARS AND SIXTY EIGHT CENTS) plus interest at the statutory rate from November 1, 1989 until the time the award is paid.
- b) Respondent, Prudential Securities, Inc. is hereby liable and shall pay to Claimant Harriet A. Feiner the sum of \$9,654.18 (NINE THOUSAND SIX HUNDRED FIFTY FOUR DOLLARS AND EIGHTEEN CENTS) plus interest at the statutory rate from November 1, 1989 until the time the award is paid.
- c) Each party shall bear their respective costs of this action, including attorneys' fees, except that Respondents shall reimburse \$500.00 to the Claimant as detailed below.
- d) All other claims are hereby dismissed.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed.

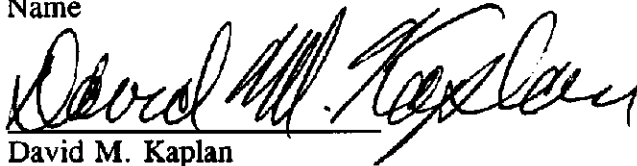
\$150.00	Non-refundable filing fee
\$2,000.00	Hearing session fees (4 sessions X \$500)

- 1) The NASD shall retain the \$150.00 non-refundable filing fee previously paid by the Claimant.
- 2) Total hearing session fees in the amount of \$2,000.00 are hereby assessed against the Respondents, Prudential Securities, Inc. and Stephen J. Hall, jointly and severally. Respondents are directed to reimburse to the Claimant the amount of \$500.00 Claimant previously deposited with the NASD, Inc. Respondents are further directed to pay the balance of \$1,500.00 to the NASD, Inc.

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Concurring Arbitrator's Signature
Name

Public Arbitrator

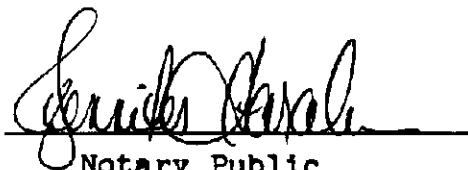

David M. Kaplan

Date of Decision: July 2, 1993

STATE OF NEW YORK
COUNTY OF QUEENS
June

S.S.:

On this 29 day of / 1993, before me personally appeared David M. Kaplan known and known to me to be ~~the~~ individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

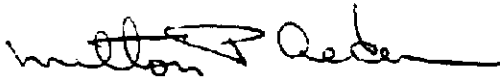


Notary Public
JENNIFER FARABEE
NOTARY PUBLIC, State of New York
No. 41-4990040
Qualified in Queens County
Commission Expires December 23, 1993

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Concurring Arbitrator's Signature
Name

Public Arbitrator



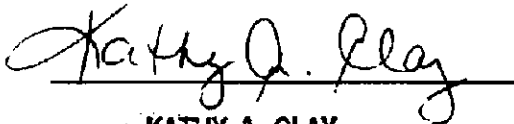
Milton P. Aeder

Date of Decision: July 2, 1993

^{Jersey}
STATE OF NEW ~~YORK~~
COUNTY OF Hudson

S.S.:

On this ¹⁴ day of July 1993, before me personally appeared Milton P. Aeder known and known to me to be ~~the~~ individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

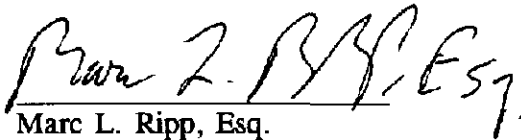


KATHY A. CLAY
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JULY 10, 1998

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Concurring Arbitrator's Signature
Name

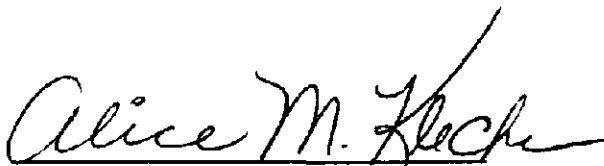
Public Arbitrator


Marc L. Ripp, Esq.

Date of Decision: July 2, 1993

STATE OF NEW ~~YORK~~ JERSEY s.s.:
COUNTY OF ESSEX

On this ^{30th} day of ^{JUNE} 1993, before me personally appeared Marc L. Ripp known and known to me to be the ~~the~~ individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.



ALICE M. KLECHA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 3, 1995