

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Joan W. Weston

92-01994

Name of Respondent

Prudential Securities Inc.

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 16, 1992, Claimant Joan W. Weston, who appeared Pro Se, alleged that Respondent Prudential Securities, Inc. recommended an unsuitable investment, VMS Mortgage Investment fund, which she was led to believe was a conservative, income producing vehicle for an IRA, but in fact it was not. The Claimant further alleged that Respondent Prudential Securities, Inc. has violated its fiduciary responsibility to her by misrepresenting this investment, and that it should be held liable for losses she has incurred.

Respondent Prudential Securities, Inc., through its in-house counsel, Paul Giappone, Esq., maintained that the VMS purchases were made pursuant to the customer's request in 1988 and the financial analyst read through the prospectus with Mr. & Mrs. Weston pointing out all risks involved. The Respondent further maintained that at the time these recommendations were made, they were made in good faith and suitable for the accounts for which they were purchased, and in addition, neither Prudential Securities, Inc. nor any registered representative can be held responsible for the external, unpredictable economic event which effected the real estate market, and contend further that it should not be held responsible for the losses incurred by the Claimant.

RELIEF REQUESTED

Claimant Joan W. Weston requested \$21,000.00 in actual damages, plus \$5,000.00 in punitive damages.

Respondent Prudential Securities, Inc. requested that the claims of the Claimant be dismissed.

#### OTHER ISSUES

Pursuant to Section 14 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure (the "Code") the parties have waived their right to a hearing as evidenced by a letter signed by Claimant Joan W. Weston on November 4, 1992 and a letter signed by Respondent Prudential Securities, Inc. on December 24, 1992.

#### AWARD

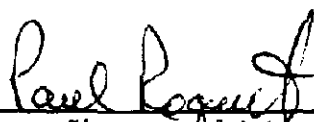
A single Public Arbitrator, Paul Roquet, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 11, 1992 and by the Respondent on October 6, 1992.

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 the Claimant Joan W. Weston \$21,000.00 in actual damages.
2. The Claimant's request for punitive damages is denied.
3. The parties shall bear their respective costs.
4. The \$400.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

#### AFFIRMATION

I, **PAUL ROQUET**, 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.

  
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Signature of Arbitrator

NASD DATE OF DECISION: June 2, 1993