

PUBLIC

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Norma E. Seifried

92-03286

Name of Respondents

Prudential Securities, Inc.
Robert D. Hedges

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 29, 1992, Claimant Norma E. Seifried, who appeared Pro Se, alleged that in 1985 Respondent Robert D. Hedges, a broker with Respondent Prudential Securities, Inc., gave a speech at Claimant's condo regarding investing whereby Claimant signed up for an appointment for a consultation. Claimant further alleged that during the consultation that Respondent Robert D. Hedges showed Claimant on his computer investments that he claimed were his parents and were safe, high-quality funds. Claimant contended that at no time was she informed that these were high risk bonds nor of the brokerage fees. Claimant further contended that she purchased Putnam High Income Trust and Mass High Income Trust whereby Respondent had earlier sold Claimant shares in Pru-Bache Utility Fund which he informed Claimant that the stock could have some risk, leaving Claimant to believe that the other investments were safe. Claimant asserted that Respondent Robert D. Hedges now has his own brokerage firm and on several occasions when Claimant wanted to discuss these investments, Respondent Robert D. Hedges never had time. Claimant further asserted that because of Respondents Prudential Securities, Inc. and Robert D. Hedges activities, Claimant lost funds.

Respondent Prudential Securities, Inc., by and through their in-house counsel V. Michael Arias, Esq., maintained that they did not breach any contracts or duties owed to Claimant Norma E. Seifried. Respondent Prudential Securities, Inc. further maintained that Claimant purchased the two mutual funds after being apprised of the characteristics of the funds and after being provided prospectuses for each of the investments. Respondent Prudential Securities, Inc. contended that the investments were suitable for Claimant and the losses sustained by Claimant were the result of market conditions which they had no control over.

Respondent Robert D. Hedges, who appeared Pro Se, maintained that while at Respondent Prudential Securities, Inc., he always handed out prospectuses to clients and fully disclosed all risks to the Claimant. Respondent Robert D. Hedges further maintained that Claimant asked him if he personally owned the mutual funds in question and he indicated that he did not and when asked if his parents owned the funds whereby Respondent Robert D. Hedges indicated that they did own them, along with other mutual funds. Respondent Robert D. Hedges contended that Claimant was a valued client and when he made recommendations to her as to all his clients, he always kept their interest first and foremost.

RELIEF REQUESTED

Claimant Norma E. Seifried requested \$10,000.00 in actual damages.

Respondent Prudential Securities, Inc. requested the claim be dismissed.

Respondent Robert D. Hedges requested the claim be denied.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Jacob I. Levine, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 22, 1992, by the Respondent Prudential Securities, Inc. on November 24, 1992 and by the Respondent Robert D. Hedges on October 16, 1992.

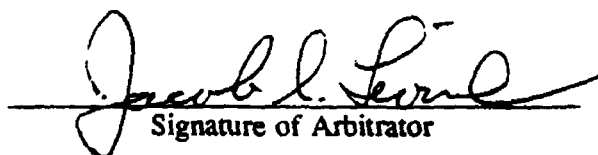
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimant Norma E. Seifried against Respondents Prudential Securities, Inc. and Robert D. Hedges are dismissed.
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 Claimant Norma E. Seifried shall be retained by the NASD, Inc.

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AFFIRMATION

I, JACOB I. LEVINE, 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: April 14, 1993