

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Pearl Glauser

93-00726

Name of Respondents

Prudential Securities, Inc.
Thomas Turnbaugh

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 26, 1993, Claimant Pearl Glauser, who appeared Pro Se, alleged that Respondent Thomas Turnbaugh, through the Respondent firm Prudential Securities, Inc., misled her into investing in Fogleman Secured Equity LP, which was not suitable for her considering her income and investment objectives. The Claimant contended that the Respondents assured her that this investment was secure and that her principal was backed by a bank, and therefore, they should be held liable for the losses she has incurred.

Respondents Prudential Securities, Inc. and Thomas Turnbaugh, through their in-house counsel, Steven M. Malina, Esq., maintained that they made no misrepresentations or omissions to the Claimant, and that the risks inherent in this investment were extensively disclosed in the prospectus provided to the Claimant. The Respondents further maintained that the Claimant herself provided the figures they used in determining that this investment was suitable and that she met the suitability requirements for the investment. Respondents Prudential Securities, Inc. and Thomas Turnbaugh contended that the Claimant received distributions from the investment, and that Respondent Thomas Turnbaugh acted as a conscientious financial advisor with the Claimant's best interest in mind, therefore, they should not be held liable in this matter.

In a reply to the Statement of Answer, the Claimant contended that the reason she waited this long for arbitration was that her partnership was being listed as having value, so she was not aware of the true value of her investment.

RELIEF REQUESTED

Claimant Pearl Glauser requested \$10,000.00 in actual damages in her original claim.

Respondents Prudential Securities, Inc. and Thomas Turnbaugh requested that the claims of the Claimant be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

Although Claimant Pearl Glauser originally requested \$10,000.00 in actual damages, the presiding arbitrator considered only \$5,000.00 of the claim due to the administrative determination that pursuant to Section 15 of the NASD Code of Arbitration Procedure only this portion was eligible for submission.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Barry Goldman, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 17, 1993, by the Respondent Thomas Turnbaugh on April 1, 1993 and by Respondent Prudential Securities, Inc. on April 23, 1993.

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 Claimant Pearl Glauser against Respondents Prudential Securities, Inc. and Thomas Turnbaugh 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 Claimant shall be retained by the NASD, Inc. Respondents Prudential Securities, Inc. and Thomas Turnbaugh are jointly and severally liable and shall pay \$75.00 to the Claimant as reimbursement of one-half the filing fee.

AFFIRMATION

I, BARRY GOLDMAN, ESQ., 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.

A handwritten signature in dark ink, appearing to read 'B. Goldman', is written over a horizontal line.

Signature of Arbitrator

DATE OF DECISION: December 2, 1993