

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Guillermo Perales

and

93-02199

Name of Respondents

**Prudential Securities, Inc. and
Henry Karnes**

REPRESENTATION OF PARTIES

Guillermo Perales ("Claimant") appeared *pro se*.

Prudential Securities, Inc. ("Prudential") and Henry Karnes ("Karnes")(collectively as "Respondents") were represented by Donald R. Littlefield, Esq., Prudential Securities, Inc., Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about June 2, 1993. Submission Agreement of Claimant was signed August 5, 1993.

Statement of Answer and Motion to Dismiss was filed by Respondents Prudential Securities, Inc. and Henry Karnes on or about October 1, 1993. Submission Agreement of Respondent Prudential Securities, Inc. was signed on October 18, 1993 by Edward S. samson. Submission Agreement of Respondent Henry Karnes was signed on October 29, 1993.

HEARING INFORMATION

The hearing was held on Tuesday, November 1, 1994 in Dallas, Texas for a total of one (1) session.

CASE SUMMARY

Claimant alleged that he had not received funds from the sale of shares of Standard Silver Corp. in October, 1987. Claimant further alleged that Respondent Karnes misrepresented that there was no risk in the purchase of these shares.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated the shares in question were delivered out to the Claimant. Respondents also stated that the alleged solicitation and misrepresentation occurred in 1985, and that the Claimant asserted that he made a fuss about the stock in 1987. The following affirmative defenses were asserted by the Respondents: the claims are barred by the applicable statutes of limitation; failure to mitigate; ratification; waiver, estoppel; contributory negligence; and failure of causation or to state a claim.

RELIEF REQUESTED

Claimant requested an award in the amount of \$1,273.50, plus interest from October, 1987.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Respondents asserted a Motion to Bar Claims at the hearing. The Motion was based upon the allegation that the purchase of stock was solicited in 1985. The Motion was granted pursuant to §15 of the NASD Code of Arbitration Procedure. The hearing was held with respect to Claimant's allegations regarding events in 1987 and thereafter.

The parties have agreed that a handwritten, signed Award may be entered. The parties have agreed to receive conformed copies of the award while the original remains on file with the NASD.

AWARD

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

1. The claims asserted in this matter shall be and hereby are dismissed in their entirety.
2. Each party shall bear its own costs, expenses and attorneys' fees incurred in this matter not specifically enumerated herein.

3. All relief not specifically granted herein is denied.

FORUM FEES

Forum fees are calculated at the rate of \$25 per hearing session. There was one (1) sessions x \$25 = \$25 in forum fees. Pursuant to §43(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall **retain** the non-refundable filing fee in the amount of \$25 and shall **retain** as forum fees the hearing session deposit in the amount of \$25 previously deposited with the NASD by the Claimant. Fees are payable to the National Association of Securities Dealers, Inc.

Dated:

/s/ James Broome, Esq.

James Broome, Esq.

Public Arbitrator, Presiding Chair

November 21, 1994