

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Stanley E. Vernovage

93-03914

Name of Respondent

Prudential Securities, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 28, 1993, Claimant Stanley E. Vernovage, who appeared Pro Se, alleged that Respondent Prudential Securities, Inc. sold the Claimant 16 units of Prudential Bache Energy Income Partnerships, P-21 at \$250.00 each totalling \$4,000.00 as a safe investment. The Claimant further alleged that as a result of Prudential Securities, Inc. fraudulent actions, he lost a large portion of the investment value and lost the realization of interest. Claimant further alleged that an incorrect value was listed in Claimant's monthly statements and only in November 1992 did Claimant become aware that the information was incorrect.

Respondent Prudential Securities, Inc., appearing through their Assistant General Counsel, David L. Glotzer, Esq., maintained that Claimant received a prospectus which detailed all the potential risks of an investment in the energy income limited partnership. Respondent further maintained that the Claimant was told of the illiquidity of the investment and that it would have to be held for a minimum of 7 years. The Respondent further maintained that it followed industry convention by listing the investment with the only readily available valuation and it was stated on every statement. The Respondent further maintained that there was no misrepresentation on their part and that Claimant knew or should have known of the risks involved with limited partnerships by utilizing due diligence and reading the prospectus.

RELIEF REQUESTED

Claimant Stanley E. Vernovage requested \$2,345.28 in actual damages, interest he should have realized, and punitive damages in the amount of \$5,000.00

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

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, D. Joan Sampieri, 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, 1993 and by the Respondent on November 30, 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. Respondent Prudential Securities, Inc. is liable and shall pay to Claimant Stanley E. Vernovage \$2,345.28 in actual damages.
2. Respondent Prudential Securities, Inc. is liable and shall pay to Claimant Stanley E. Vernovage interest at the rate of 9% per annum from November 1, 1992 to date of payment of the award.
3. The Claimant's request for punitive damages is denied.
4. The parties shall bear their respective costs.
5. 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. Respondent Prudential Securities, Inc. is liable and shall pay to Claimant Stanley E. Vernovage \$150.00 as reimbursement of the filing fee.

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AFFIRMATION

I, **D. JOAN SAMPIERI**, 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 cursive script that reads "Joan Sampieri". The signature is written in dark ink and is positioned above a horizontal line.

Signature of Arbitrator

DATE OF DECISION: September 26, 1994