

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Donald M. and Linda G. Kasprzyk

95-00353

Name of Respondents

Prudential Securities, Inc.
Theodore J. Van Der Horn

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 23, 1995, Claimants Donald M. and Linda G. Kasprzyk ("Claimants"), who appeared Pro Se, alleged that they spoke with Respondents Prudential Securities, Inc. ("PSI") and Theodore J. Van Der Horn ("Van Der Horn"), on December 21, 1989 regarding Certificates of Deposit ("CD") which were to mature in the near future. Claimants further alleged that Van Der Horn suggested they purchase U.S. Treasury Strips ("USTS"), while they waited for interest rates to rise and indicated that it was a low risk liquid investment which they followed. Claimants contended that Van Der Horn did not fully disclose the risk of USTS and "apologized" for the inadequate disclosure when it was brought to his attention. Claimants further contended that the USTS lost value and as a result of the above, they have suffered a loss for which the Respondents should be held liable.

Respondents Prudential Securities, Inc. and Theodore J. Van Der Horn, through their representative and in-house counsel, Patricia Ostuni, Esq., maintained that no misrepresentations about the USTS investment were made to the Claimants. Respondents further maintained that the claims are time barred by the Florida Statute of Limitations which is five years from the date of the contract and this action was filed approximately five years and two months after the date of the contract. Respondents contended that Claimants had seven years investment experience prior to investing with PSI and were fully informed about the USTS investment. Respondents further contended that the account was not discretionary and was within the control of the Claimants at all times. Respondents maintained that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimants Donald M. and Linda G. Kasprzyk, requested \$1,433.80 in actual damages, plus punitive damages, interest and costs.

Respondents Prudential Securities, Inc. and Theodore J. Van Der Horn, requested that the claims of the Claimants be dismissed.

AWARD

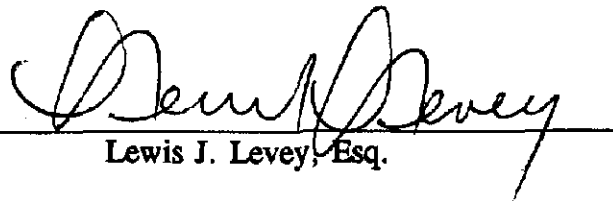
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Lewis J. Levey, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Donald M. and Linda Kasprzyk, on January 19, 1995, and by the Respondent Prudential Securities, Inc., on April 18, 1995, but not by Respondent Theodore J. Van Der Horn, as required by Sections 8 and 10 of the NASD Code of Arbitration Procedure.

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 Claimants Donald M. and Linda G. Kasprzyk, against Respondents Prudential Securities, Inc. and Theodore J. Van Der Horn, are dismissed in their entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants Donald M. and Linda G. Kasprzyk, shall be retained by the NASD, Inc.

AFFIRMATION

I, LEWIS J. LEVEY, 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.


Lewis J. Levey, Esq.

DATE OF DECISION: October 17, 1995