

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Janet L. Paulsgrove

95-00403

Name of Respondent(s)

Prudential Securities Inc

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 25, 1995 Claimant Janet L. Paulsgrove, who appeared Pro Se, alleged that Respondent Prudential Securities Inc., through its investment advisor, Troy Hawkins, mismanaged her IRA and regular securities accounts and failed to properly transfer her account to another firm in a timely manner. The Claimant also alleged that Respondent made unauthorized trades in the accounts, and further, did not follow her investment objectives of safety and long-term growth, purchasing unsuitable investments such as Telebit Corp. and Telefonica De Argentina. Claimant Janet L. Paulsgrove contended that the Respondent Prudential Securities, Inc., through Hawkins made excessive trades in her accounts in order to generate commissions, and that due to the wrongdoing of the Respondent, she should be compensated for the losses she has incurred.

Respondent Prudential Securities Inc., through its representative and in-house counsel, David L. Glotzer, Esq., maintained that the purchases of Telebit and Telefonica De Argentina made in the Claimant's account were suitable, and further that these investment were recommended as part of a longterm growth portfolio where safety of principal was not indicated and the investments were expected to be held for years. The Respondent contended that her accounts were not mismanaged, nor were any trades unauthorized. The Respondent further contended that Claimant suffered losses on her investments when she altered her longterm objective against the advice of her financial advisor and liquidated her accounts in a market reeling from the impact of continuous increases in interest rates. The Respondent asserted that it committed no wrongdoing, and therefore, the claims against it should be dismissed.

RELIEF REQUESTED

Claimant Janet L. Paulsgrove requested \$10,000.00 in actual damages.

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

AWARD

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Franklin Anthony Arnold, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 16, 1995 and by the Respondent Prudential Securities Inc. on April 10, 1995.

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 Janet L. Paulsgrove \$10,000.00 in actual damages. In accordance with the Claimant's request the Award shall be payable to the Trustee of the IRA account at the American Funds.
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. Respondent Prudential Securities Inc. is liable and shall pay to Claimant Janet L. Paulsgrove \$150.00 as reimbursement of the filing fee.

Affirmation

STATE OF

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COUNTY OF

I, Franklin R. Arnold, do hereby affirm upon my oath
as arbitrator that I am the individual described in and who executed this instrument,
which is my oath and award.


Signature of Arbitrator

DATE OF DECISION: January 10, 1996