

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Glenn J. Harris and Ellen Harris

95-00750

Name of Respondent

Prudential Securities Inc.

REPRESENTATION

For Claimants Glenn J. Harris and Ellen Harris ("Harris"): Tim B. Wright, Esq. of Warner, Fox, Seesley, Dungey & Sweet, P.A., Orlando, FL.

For Respondent Prudential Securities, Inc. ("PSI"): Lloyd R. Schwed, Esq. of Hertz, Schram & Saretsky, P.C., West Palm Beach, FL.

CASE INFORMATION

Statement of Claim filed February 13, 1995.

Claimants' Submission Agreement signed on February 10, 1995.

Statement of Answer filed by Respondent on May 22, 1995.

Respondent's Submission Agreement signed on October 25, 1995.

HEARING INFORMATION

On April 10 and 11, 1996, in Fort Lauderdale, FL. hearings lasting three sessions were conducted.

CASE SUMMARY

Claimants, alleged that while PSI was their broker, it bought on behalf of the Claimants INTL Bond Fund Units, 35th Australian New Zealand dollar Bond SER Monthly and Blackstone Income Tr., later known as, Blackrock Income Tr. (collectively the "Bonds"). At or before the time PSI bought the Bonds on behalf of the Claimants, it knew or should have known that the Bonds were an unsuitable investment and PSI failed to disclose to the Claimants the risks of the Bonds and the reasons they were unsuitable. Claimants further allege that PSI misrepresented

the financial characteristics of the Bonds to the Claimants. Claimants allege Breach of Contract, Violation of Florida Statute 517.301, Common Law Fraud and Deceit and Breach of Fiduciary Duty.

Respondent denies all allegations of wrongdoing and alleged that the Mr. Harris is very sophisticated investor and that the investment in the Bonds precisely met his account objective of high income and were in no way unsuitable. Respondent further alleges that they fully and accurately disclosed the risks as well as the potential rewards and that Mr. Harris understood the nature of his chosen investment.

RELIEF REQUESTED

Claimants requested compensatory damages of the total amount of the loss of principal and income, together with interest, attorneys' fees, costs, and all further relief as the panel deems necessary and appropriate. The total amount of damages Harris is seeking is in excess of \$100,000.00.

Respondent requested dismissal of the claim in all respects and that the panel award the Respondent their costs and attorneys' fees incurred by it in this proceeding.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD. >

AWARD

After considering the pleading, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Prudential Securities, Inc. is found not liable and, therefore, all claims against it are hereby dismissed.
- 2) Claimants' requests for interest, attorneys' fees and costs are hereby denied.
- 3) Respondent's requests for attorneys' fees and costs are denied.

OTHER COSTS

Other than as provided below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed the following Forum Fees in the amount of \$1,500.00 (three hearing sessions x \$500.00).

Claimants are hereby assessed \$750.00 for which the NASD shall retain the \$500.00 previously deposited in partial satisfaction thereof, leaving a balance due to the NASD of \$250.00.

Respondent is hereby assessed \$750.00 payable to the NASD.

The NASD shall retain the non-refundable filing fee of \$150.00 paid by the Claimants.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signatures

Name	Public/Industry
/s/	
_____ Gary M. Landau, Esq.	Public
/s/	
_____ Syma S. Kasdin	Public
/s/	
_____ Bernard A. Stein, PhD	Industry

Date of Decision: May 31, 1996