

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

James E. and Rena E. Gates

95-01427

Name of Respondent(s)

Prudential Securities, Inc.
Robert E. Kilbridge

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on March 13, 1995, Claimants James E. and Rena E. Gates, who appeared Pro Se, alleged that Respondent Robert E. Kilbridge of the Respondent firm Prudential Securities, Inc., convinced them to purchase 20 TWA 17.25 of 93 Bonds ("TWA") by misrepresenting them to be safe and highly rated. The Claimants further alleged that they discovered this was a low rated bond that was not suitable for them, nor was it in accordance with their investment objectives. The Claimants contended that due to the wrongdoing of the Respondents, they have suffered damages for which the Respondents should be held liable.

Respondents Prudential Securities Inc. and Robert Kilbridge, through their representative and in-house counsel, Alisa K. Straus, Esq., maintained that Claimants have failed to support their allegations of misrepresentation and unsuitability regarding TWA. Respondents also maintained that Claimants were aware of the risks in investing in this high yield bond, and further that TWA met Claimant's investment objective and was consistent with their investing history in that it was to provide them with high income on a regular basis. Respondents contended that Claimants failed to mitigate their losses, and further that they committed no wrongdoing; therefore the claims against them should be dismissed.

RELIEF REQUESTED

Claimants James E. and Rena E. Gates requested \$10,000.00 in actual damages, plus \$8,669.50 in interest.

Respondents Prudential Securities Inc. and Robert Kilbridge 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, Carole M. Crosby, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 13, 1995 and by the Respondents on June 26, 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. The claims of the Claimants James E. and Rena E. Gates against Respondents Prudential Securities Inc. and Robert Kilbridge are dismissed in their entirety.
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 \$150.00 to the Claimants as reimbursement of the filing fee.

AFFIRMATION

STATE OF Michigan

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SS:

COUNTY OF Oakland

I, CAROLE CROSBY, 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.

Carole Crosby
Signature of Arbitrator

DATE OF DECISION:

April 24, 1996

Cheryl Ann Pinter

CHERYL ANN PINTER
Notary Public, Oakland County, MI
My Commission Expires Nov. 17, 1997