

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Loretta Young

95-04772

Name of Respondent

Prudential Securities, Inc.
William Frank Edmond, III

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on October 10, 1995, Claimant Loretta Young ("Claimant"), who appeared Pro Se, alleged that Respondent Prudential Securities, Inc. ("Prudential"), through its representative William Frank Edmond, III ("Edmond"), solicited her and misled her with false information into purchasing Blackrock Target Term Trust ("BTTT") and Prudential Utility Fund Class B ("PUFC") shares to her detriment. Claimant further alleged that Respondents were informed of her advanced age and her goal to invest \$38,000.00 with the intention of receiving \$600.00 per month from this investment for living expenses for the remainder of her life. Claimant contended that Edmond advised her to place her savings in too risky an investment given her age and goals. Claimant further contended that she had difficulty in obtaining information from the Respondents concerning her account status. Claimant alleged that upon learning that her account value had depreciated to \$31,000.00, she withdrew her funds and that as a result of the above, she has suffered a loss for which the Respondents should be held liable.

Respondents Prudential Securities, Inc. and William Frank Edmond, III through their representative and in-house counsel, Patricia Ostuni, Esq., maintained that the Claimant's claim of a loss of \$7,000.00 is difficult to reconcile with her account activity. Respondents further maintained that Claimant's PUFC purchase was very profitable, making \$37,024.70 on her \$16,005.36 investment, and that when dividend payments are considered she sustained a loss of only \$593.81 on the BTTT purchase. Respondents contended that if the dividend payments are excluded, the Claimant sustained losses of only \$1,772.53 on the BTTT investment. Respondents further contended that Claimant had other accounts with Prudential but a "profit and loss analysis" on these accounts does not support Claimant's contentions because, overall, her investments were quite profitable. Respondents maintained that no misrepresentations were made to the Claimant, in fact, all investments were fully explained to, understood and approved by, the Claimant. Respondents further maintained that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimant Loretta Young requested \$7,500.00 in actual damages.

Respondents Prudential Securities, Inc. and William Frank Edmond, III. 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, Jacob I. Levine, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 9, 1995, and by the Respondent Prudential Securities, Inc. on November 28, 1995 and by Respondent William Frank Edmond, III on October 23, 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 Respondents Prudential Securities, Inc. and William Frank Edmond, III are jointly and severally liable and shall pay to the Claimant Loretta Young \$1,772.00 in actual damages.
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. The Respondent Prudential Securities, Inc. shall pay to the Claimant Loretta Young \$150.00 as reimbursement of the filing fee.
4. All other relief requests are denied.

AFFIRMATION

I, JACOB I. LEVINE, 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.



Jacob I. Levine

DATE OF DECISION: April 29, 1996