

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Edward and Pauline Zawisza

96-04012

Name of Respondents

Prudential Securities, Inc.
George Chamberlin

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers Regulators, Inc. on September 9, 1996, Claimants Edward and Pauline Zawisza ("Claimants") through their representative Paul N. Young, of Securities Arbitration Group, Inc., located in Marina del Rey, California alleged that Respondents Prudential Securities, Inc. ("Prudential") and George Chamberlin ("Chamberlin") misrepresented and omitted material facts in the sale of securities to them. Claimants also alleged that they were a retired couple on a fixed income with safety of principal as their only investment objective. Claimants asserted that on October 23, 1992 Chamberlin called and recommended Hyperion term Trust 2002 ("Hyperion") as a "no risk" investment and that his discussions were only about the safety of the investment. Claimants further asserted they invested \$50,000 and never received a prospectus. Claimants also asserted that from March 1993 through October 1993 the principal in Hyperion steadily declined. Claimants contended that they expressed their concerns about this decline on several occasions to Chamberlin. Claimants further contended Chamberlin advised them to trust him and "sit tight." Claimants further contended that in November 1993 they switched brokers and immediately liquidated all of their investment in Hyperion at a substantial loss. Claimants also alleged that in thirteen months their \$50,000 investment declined 24% for a loss of \$11,991 and that their total dividend payment on Hyperion was \$1,667.00.

Respondents Prudential and Chamberlin through their representative and in-house counsel, Steven L. Raimer, Esq., maintained that on October 23, 1992 claimants purchased five thousand shares of Hyperion at ten dollars a share and sold it on November 16, 1993 for \$38,000. Respondents further maintained that Hyperion was a closed-end mutual fund designed to invest in securities of the highest credit qualities. Respondents also maintained that Claimants' investment history showed they had previously invested in funds similar to Hyperion. Respondents contended that Chamberlin described the fund thoroughly to the Claimants and did not indicate that Hyperion was risk free. Respondents further contended that Claimants received a preliminary prospectus prior to their purchase and a prospectus with the confirmation. Respondents also contended that claimants received dividend payments from Hyperion totalling \$3,918.00.

RELIEF REQUESTED

Claimants Edward and Pauline Zawisza requested \$10,000 in actual damages.

Respondents Prudential Securities, Inc. and George Chamberlin requested that the claims of the Claimants be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator reviewed and considered all documentation submitted by the parties regarding respondents Motion to Dismiss all allegations as ineligible for submission under the applicable federal statutes of limitations. The arbitrator denied the motion.

AWARD

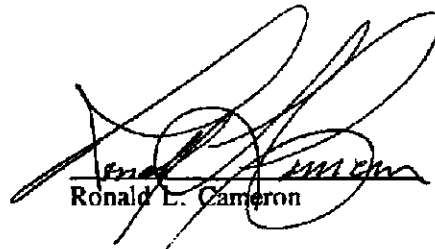
Pursuant to section 10302 of the Code of Arbitration Procedure, a single Public Arbitrator, Ronald L. Cameron, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by Claimants Edward Zawisza and Pauline Zawisza on August 28, 1996, by Respondent Prudential Securities, Inc., on October 21, 1996 and by Respondent George Chamberlin on January 7, 1997.

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 Claimants Edward Zawisza and Pauline Zawisza against Respondents Prudential Securities, Inc. and George Chamberlin 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 Regulation, Inc. by Claimants Edward & Pauline Zawisza shall be retained by NASD Regulation, Inc.

AFFIRMATION

I, **Ronald L. Cameron**, 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.



Ronald L. Cameron

Date of Decision: March 6, 1997