

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Janet Trowe Fauks;
William K. Fauks;
Janet T. Fauks Trust;
William Karl Fauks Trust and
W.K. Fauks, Inc.

Case No. 00-00507

Name of Respondents

Prudential Securities Incorporated;
Robert P. Elliott; and
Billy Wayne Cobb

REPRESENTATION OF PARTIES

Claimants Janet Trowe Fauks; William K. Fauks; Janet T. Fauks Trust; William Karl Fauks Trust and W.K. Fauks, Inc. were represented by Stephen A. Zrenda, Jr., Esq., of Stephen A Zrenda, Jr., P.C., located in Oklahoma City, Oklahoma.

Respondents Prudential Securities Incorporated; Robert P. Elliott; and Billy Wayne Cobb were represented by Corbet F. Bryant, Jr., Esq., of the firm of Carrington, Coleman, Sloman and Blumenthal, located in Dallas, Texas.

CASE INFORMATION

Statement of Claim filed on or about: February 4, 2000.

Claimants signed the Uniform Submission Agreement: February 1, 2000.

Statement of Answer filed by Respondents on or about: April 10, 2000.

Respondent Prudential Securities, Inc. signed the Uniform Submission Agreement: March 28, 2000.

Respondent Robert P. Elliott signed the Uniform Submission Agreement: February 29, 2000.

Respondent Billy Wayne Cobb signed the Uniform Submission Agreement: February 29, 2000.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; churning and excessive activity; failure to provide adequate supervision; and violations of the NASD Rules. The causes of action relate to a series of securities recommended by the Respondents which were not suited to the Claimants' needs, including securities such as initial public offerings, gambling stocks, REIT investments and other speculative securities.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses of estoppel, ratification and waiver. In addition, Respondents asserted that the claims were barred by the doctrine of laches or the applicable statute of limitations.

RELIEF REQUESTED

Claimants requested compensatory damages of \$269,503.00, plus commissions and profit or income received by Respondents; punitive damages in the amount of \$100,000.00; costs including filing fees and attorneys' fees; pre and post-judgment interest; and such other relief as the Panel found the Claimants entitled to.

Respondents requested that the panel deny all claims and award to them all their forum fees and other costs incurred.

OTHER ISSUES CONSIDERED AND 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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Prudential Securities Incorporated is liable for and shall pay to the Claimants, Janet Trowe Fauks; William K. Fauks; Janet T. Fauks Trust; William Karl Fauks Trust and W.K. Fauks, Inc. the sum of \$50,000.00 as compensatory damages;
2. The claims against Respondents Robert P. Elliott and Billy Wayne Cobb are dismissed and denied;
3. The requests for punitive damages are denied;
4. The parties shall bear their own costs of arbitration, including attorneys' fees, except for those specifically enumerated herein; and
5. Any relief not specifically awarded is hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Adjournment Fees

Adjournments requested during these proceedings: None.

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$ 1,125.00	= \$ 1,125.00
Pre-hearing conference: December 7, 2000 1 session	
Six (6) Hearing sessions x \$ 1,125.00	= \$ <u>6,750.00</u>
Hearing Dates: March 5, 2001 2 sessions	
March 6, 2001 2 sessions	
March 7, 2001 2 sessions	
Total Forum Fees	= \$ 7,875.00

The Panel has assessed \$ 3,937.50 of the forum fees, jointly and severally, to the Claimants, Janet Trowe Fauks; William K. Fauks; Janet T. Fauks Trust; William Karl Fauks Trust and W.K. Fauks, Inc. In addition, the Panel has assessed \$3,937.50 of the forum fees to Prudential Securities Incorporated.

Fee Summary

Claimants Janet Trowe Fauks; William K. Fauks; Janet T. Fauks Trust; William Karl Fauks Trust and W.K. Fauks are jointly and severally liable for:

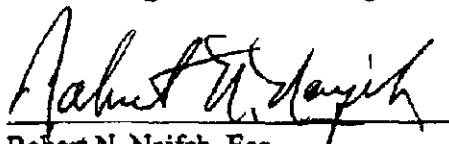
Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$ 3,937.50</u>
Total Fees	= \$ 4,237.50
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,812.50

Respondent Prudential Securities Incorporated is solely liable for:

Member Fees	= \$ 4,600.00
<u>Forum Fees</u>	<u>= \$ 3,937.50</u>
Total Fees	= \$ 8,537.50
<u>Less payments</u>	<u>= \$ 7,700.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 837.50

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures



Robert N. Naifeh, Esq.
Public Arbitrator, Presiding Chair

4-30-01
Signature Date

Jan Preece Gaddis, Esq.
Public Arbitrator

Signature Date

John Morley, Esq.
Industry Arbitrator

Signature Date

5-9-01
Date of Service (For NASD-DR office use only)

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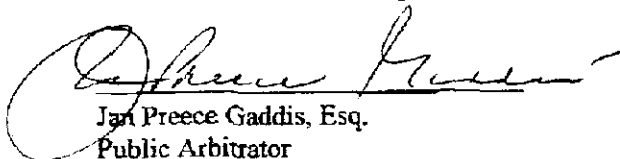
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Public Arbitrator, Presiding Chair

Signature Date


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Public Arbitrator

5/2/2001
Signature Date

John Morley, Esq.
Industry Arbitrator

Signature Date

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 Arbitration No. 00-00507
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 Public Arbitrator, Presiding Chair

Signature Date

Jan Preece Gaddis, Esq.
 Public Arbitrator

Signature Date


 John Morley, Esq.
 Industry Arbitrator

5-1-1
 Signature Date

5-9-01
 Date of Service (For NASD-DR office use only)