

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between: Louise McCoy and Hans Franke, Claimants v. Prudential Securities, Inc., James Murray, Joseph Kehoe and Robert Jordan, Respondents

Case Number: 00-04799

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

For Claimants:

Jeff D. Ferentz
Greenbaum & Ferentz LLP
Newport Beach, California

For Respondents James Murray and Joseph Kehoe:

Ben Suter
Keesal, Young & Logan
San Francisco, California

For Respondent Prudential Securities, Inc.

Ronald T. Wolf
Prudential Securities, Inc.
New York, New York

CASE INFORMATION

Statement of Claim filed: October 25, 2000

Claimants' Uniform Submission Agreement signed on or about: October 25, 2000

Joint Statement of Answer filed by Respondents: January 22, 2001

Respondent Prudential Securities' Uniform Submission Agreement signed: December 14, 2000

Respondent James Murray's Uniform Submission Agreement signed: December 8, 2000

Respondent Joseph Kehoe's Uniform Submission Agreement signed: December 8, 2000

CASE SUMMARY

Claimants' Statement of Claim complains of transactions effected in claimants' account by their independently selected investment advisor who was acting pursuant to a power of attorney signed by

claimants. Claimants alleged that respondents were liable to claimants for the losses sustained in claimants' account as a result of commodities options transactions initiated by claimants' investment advisor.

Respondents Prudential Securities, Inc., James Murray and Joseph Kehoe denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested actual damages in the amount of \$205,976.00 as well as punitive damages and reimbursement for costs incurred in bringing this arbitration.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety and an award of attorney's fees and costs pursuant to the indemnity provisions set forth in the power of attorney agreements signed by claimants. Respondents James Murray and Joseph Kehoe also requested expungement of all reference to the above-captioned arbitration from their registration records maintained by the NASD Central Registration Depository, and by the National Futures Association ("NFA").

OTHER ISSUES CONSIDERED AND DECIDED

On October 10, 2001, claimants voluntarily dismissed with prejudice all claims against Respondents James Murray and Joseph Kehoe.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies.

STIPULATED AWARD OF EXPUNGEMENT

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Joseph Kehoe's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Joseph Kehoe must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. The Panel also recommends the expungement of all reference to the above captioned arbitration from Respondent Joseph Kehoe's registration records maintained by the NFA.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent James Murray's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent James Murray must obtain confirmation from a court of competent jurisdiction before the

CRD will execute the expungement directive. The Panel also recommends the expungement of all reference to the above captioned arbitration from Respondent James Murray's registration records maintained by the NFA.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

| | |
|--------------------------|-------------|
| Initial claim filing fee | = \$ 300.00 |
|--------------------------|-------------|

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Prudential Securities, Inc. is a party and the following fees are assessed:

| | |
|----------------------------|----------------------|
| Member Surcharge | = \$ 1,500.00 |
| Pre-Hearing Process Fee | = \$ 600.00 |
| <u>Hearing Process Fee</u> | <u>= \$ 2,500.00</u> |
| Total Member Fees | = \$ 4,600.00 |

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

| | |
|---|---------------|
| (3) Pre-hearing conference sessions with the Panel @ \$1,125.00/session | = \$ 3,375.00 |
| Pre-hearing conferences: | |
| July 10, 2001 | 1 session |
| September 21, 2001 | 1 session |
| October 15, 2001 | 1 session |

| | |
|-------------------------|----------------------|
| Total Forum Fees | = \$ 3,375.00 |
|-------------------------|----------------------|

1. The Panel assessed \$ 1,687.50 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$ 1,687.50 of the forum fees to Prudential Securities, Inc.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

No additional administrative costs were incurred in this matter.

Fee Summary

1. Claimants Louise McCoy and Hans Franke are charged jointly and severally with the following fees and costs:

| | |
|---|----------------|
| Initial Filing Fee | = \$ 300.00 |
| <u>Forum Fees</u> | = \$ 1,687.50 |
| Total Fees | = \$ 1,987.50 |
| <u>Less payments</u> | = \$(1,425.00) |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 562.50 |

2. Respondent, Prudential Securities, Inc., is charged with the following fees and costs:

| | |
|---|----------------|
| Member Fees | = \$ 4,600.00 |
| <u>Forum Fees</u> | = \$ 1,687.50 |
| Total Fees | = \$ 6,287.50 |
| <u>Less payments</u> | = \$(4,600.00) |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 1,687.50 |

All balances are payable to NASD Dispute Resolution, Inc. and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

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Arbitration No. 00-04799
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Parties' Signatures


Louise McCoy



11/01/01
Signature Date


Hans Franke
Claimant

11/01/01
Signature Date

By 
Ronald Wolf, Assistant General Counsel

11/01/01
Signature Date

Prudential Securities, Inc.
Respondent

James Murray
Respondent

Signature Date

Joseph Kahoe
Respondent

Signature Date

Parties' Signatures

Louise McCoy
Claimant

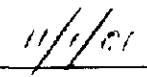
Signature Date

Hans Franke
Claimant

Signature Date

By: 

Ronald Wolf, Assistant General Counsel
Prudential Securities, Inc.
Respondent


Signature Date

James Murray
Respondent

Signature Date

Joseph Kehoe
Respondent

Signature Date

Parties' Signatures

Louise McCoy
Claimant

Signature Date

Hans Franke
Claimant

Signature Date

Prudential Securities, Inc.
Respondent

Signature Date



James Murray
Respondent

11/2/01

Signature Date

Joseph Kehoe
Respondent

Signature Date

Parties' Signatures

Louise McCoy
Claimant

Signature Date

Hans Franke
Claimant

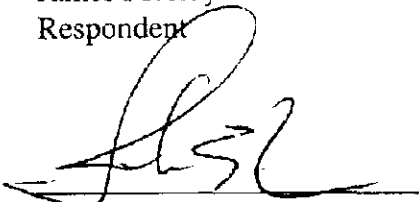
Signature Date

Prudential Securities, Inc.
Respondent

Signature Date

James Murray
Respondent

Signature Date



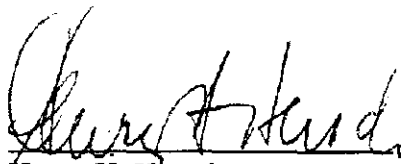
Joseph Kehoe
Respondent

11/2/01
Signature Date

ARBITRATION PANEL

| | | |
|------------------|---|------------------------------------|
| Henry H. Hersch | - | Public Arbitrator, Presiding Chair |
| Thomas Patterson | - | Public Arbitrator |
| Bryan W. Brown | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures



Henry H. Hersch
Chair, Public Arbitrator

11/12/01

Signature Date

Thomas Patterson
Public Arbitrator

Signature Date

Bryan W. Brown
Industry/Non-Public Arbitrator

Signature Date

Date Served:
NOV 20 2001

Date of Service

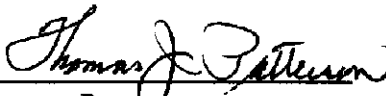
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|------------------|---|------------------------------------|
| Henry H. Hersch | - | Public Arbitrator, Presiding Chair |
| Thomas Patterson | - | Public Arbitrator |
| Bryan W. Brown | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

Henry H. Hersch
Chair, Public Arbitrator

Signature Date


Thomas Patterson
Public Arbitrator

11/14/01
Signature Date

Bryan W. Brown
Industry/Non-Public Arbitrator

Signature Date

Date Served:
NOV 20 2001

Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 00-04799
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NASD
DISPUTE RESOLUTION

ARBITRATION PANEL

| | | |
|------------------|---|------------------------------------|
| Henry H. Hersch | - | Public Arbitrator, Presiding Chair |
| Thomas Patterson | - | Public Arbitrator |
| Bryan W. Brown | - | Non-Public Arbitrator |

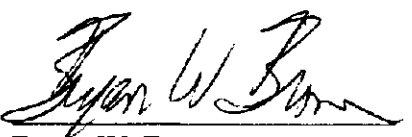
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Henry H. Hersch
Chair, Public Arbitrator

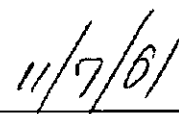
Signature Date

Thomas Patterson
Public Arbitrator

Signature Date



Bryan W. Brown
Industry/Non-Public Arbitrator



Signature Date

Date Served:

NOV 20 2001

Date of Service