
Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Henry Bates, Claimant

v.

Case Number: 00-5248

Prudential Securities, Inc., Michael Kanehl,
and Mark N. Blackwell, Respondents.

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For Henry Bates, hereinafter referred to as "Claimant": Fred L. Kretschmer, Jr., Esq., Moss, Henderson, Blanton, Lanier, Kretschmer & Murphy, P.A., Vero Beach, Florida.

For Respondents Prudential Securities, Inc. ("Prudential") and Mark Norman Blackwell ("Blackwell"): Charles LaChaussee, First Vice President, Associate General Counsel, Prudential Securities, Inc., San Francisco, California.

For Respondent Michael Kanehl ("Kanehl"): Richard L. Martens, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Claimant signed the Uniform Submission Agreement on November 17, 2000.

Statement of Claim filed on or about November 27, 2000.

The Uniform Submission Agreement for Respondent Prudential was signed on January 23, 2001, by Charles LaChaussee, Esq.

Respondents Prudential and Blackwell submitted a Statement of Answer on or about January 25, 2001.

Respondent Blackwell signed the Uniform Submission Agreement on February 5, 2001.

Respondent Kanehl submitted a Statement of Answer on or about January 29, 2001

Respondent Kanehl did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading, failure to properly obtain and/or exercise discretionary authority, breach of fiduciary duty, common law negligence, violation of the Florida Securities and Investor Protection Act, and negligent supervision

Unless specifically admitted in their Answer, Respondents Prudential and Blackwell denied the allegations made in the Statement of Claim, asserted various affirmative defenses, and moved to dismiss the action in its entirety.

Unless specifically admitted in his Answer, Respondent Kanehl denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$120,000, return of commissions, punitive damages in excess of \$120,000, costs, expert witness fees, legal rate interest, IRS penalties and/or interest due to the IRS and any other relief the undersigned arbitrators (the "Panel") deemed just and proper, with a deferral of any award of attorneys' fees to be made by the Circuit Court upon confirmation of the arbitration award.

Respondents Prudential and Blackwell requested that the Statement of Claim be dismissed in its entirety and that costs be awarded in their favor.

Respondent Kanehl requested that the Panel dismiss the Statement of Claim with prejudice.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Kanehl did not file an executed Uniform Submission Agreement to arbitrate with NASD Dispute Resolution, Inc., ("NASDR"), but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the Statement of Claim, is bound by the determination of the Panel on all issues submitted.

On or about May 23, 2001, NASDR received a Notice of Mediation from the parties.

On or about July 19, 2001, NASDR received a Notice of Settlement at a formal mediation from the parties.

On or about August 28, 2001, the parties submitted a Stipulation to Dismiss and Expunge Registered Representative's Record (the "Stipulation") to NASDR, wherein Claimant dismissed, with prejudice, all claims asserted against Respondents Prudential, Kanehl and Blackwell and the parties requested that the NASD expunge this matter from the NASD Central Registration Depository ("CRD") permanent records of Respondent Blackwell.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award, while the original remains on file with NASD Dispute Resolution, Inc.

AWARD

After considering the pleadings and noting the Stipulation, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

All claims of the Claimant against Respondents Prudential, Blackwell and Kanehl are hereby dismissed, with prejudice.

The Panel recommends the expungement of all references to the NASD above-captioned arbitration from Respondent Blackwell's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Blackwell must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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 firm that employed the associated person 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

There were no adjournments requested during these proceedings.

Forum Fees and Assessments

The Panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, 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
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Pre-hearing conference date: June 5, 2001 1 session
Total Forum Fees = \$1,125.00

The Panel has assessed \$562.50 of the forum fees to Claimant.

The Panel has assessed \$562.50 of the forum fees to Respondents Prudential, Kanehl and Blackwell, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during this arbitration.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
<u>Total Fees</u>	<u>= \$ 862.50</u>
<u>Less Payments</u>	<u>= \$ 862.50</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Prudential be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less Payments</u>	<u>= \$4,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents Prudential, Kanehl and Blackwell be and hereby are jointly and severally liable for:

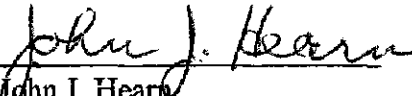
Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
<u>Less Payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 562.50

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


ARBITRATION PANEL

John J. Hearn	-	Public Arbitrator, Presiding Chair
George G. Kurschner	-	Public Arbitrator
Robert C. Sauer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



John J. Hearn
Public Arbitrator, Presiding Chair



Signature Date

George G. Kurschner
Public Arbitrator

Signature Date

Robert C. Sauer
Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

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John J. Hearn	-	Public Arbitrator, Presiding Chair
George G. Kurschner	-	Public Arbitrator
Robert C. Sauer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

John J. Hearn
Public Arbitrator, Presiding Chair

Signature Date



George G. Kurschner
Public Arbitrator

12/27/01

Signature Date

Robert C. Sauer
Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

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John J. Hearn	-	Public Arbitrator, Presiding Chair
George G. Kurschner	-	Public Arbitrator
Robert C. Sauer	-	Non-Public Arbitrator


Concurring Arbitrators' Signatures

/s/
John J. Hearn
Public Arbitrator, Presiding Chair

December 13, 2001
Signature Date

/s/
George G. Kurschner
Public Arbitrator

December 27, 2001
Signature Date


Robert C. Sauer
Non-Public Arbitrator

Jan 16, 2002
Signature Date

January, 2002
Date of Service (For NASD-Dispute Resolution office use only)

