

**AWARD**  
**NASD Dispute Resolution**

---

In the Matter of the Arbitration Between

Claimants

Wayne and Peggy Cooper, individually,  
as Co-Trustees of the Peggy A. Cooper Family Trust,  
and as Co-Trustees of the Wayne Cooper Family Trust

v.

02-04996  
Minneapolis, Minnesota

Respondents

Prudential Securities, Inc. n/k/a Prudential  
Equity Group, Inc. and Joan Crawford

---

Nature of Dispute: Customers v. Member and Associated Person

**REPRESENTATION OF PARTIES**

Wayne and Peggy Cooper, individually, as co-trustees of the Peggy A. Cooper Family Trust, and as co-trustees of the Wayne Cooper Family Trust ("**Claimants**") were represented by William F. Stute, Esq., of Lindquist & Vennum, P.L.L.P., Minneapolis, Minnesota.

Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. ("**Prudential**") and Joan Crawford ("**Crawford**"), hereinafter referred to as Respondents, were represented by Beth A. Black, Esq., of Ungaretti & Harris, Chicago, Illinois.

**CASE INFORMATION**

The Statement of Claim was filed on or about August 22, 2002. Submission Agreements of Claimants Wayne and Peggy Cooper, individually, as co-trustees of the Peggy A. Cooper Family Trust and as co-trustees of the Wayne Cooper Family Trust were signed on or about August 2, 2002.

A Joint Statement of Answer was filed by Respondents Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. and Joan Crawford on or about November 8, 2002. Submission Agreement of Respondent Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. was signed on or about November 12, 2002. Submission Agreement of Respondent Joan Crawford was signed on or about November 14, 2002.

**CASE SUMMARY**

Claimant asserted causes of action including the following: breach of fiduciary duty; misrepresentation; fraud; control person liability; suitability; and failure to supervise. The causes of

action related to Claimants' allegation that Respondents placed them into an aggressive investment strategy consisting of volatile and high-tech securities, traded mostly on margin. Claimants alleged that given their financial goal of retirement, their portfolio should have been more stable and diversified.

Respondents denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimants had full knowledge of the nature and type of each transaction in their accounts and, by their words and conduct, expressly and impliedly ratified and affirmed each transaction; Claimants purchased each and every investment with full knowledge of the risks associated with them and Claimants therefore, assumed all risks; Claimants' claims are barred by the applicable statute of limitation or by the doctrine of laches; the damages alleged by Claimants were not caused by acts attributable to Respondents, rather, the losses sustained by Claimants were proximately caused by new and independent, or intervening, events beyond the control or responsibility of Respondents; and Respondent Prudential implemented appropriate supervisory procedures and carried out its supervisory responsibilities in good faith.

#### **RELIEF REQUESTED**

Claimants requested an award in the amount of \$1,000,000 in compensatory damages. In addition, Claimants requested \$3,000,000 in punitive damages, attorney's fees, interest, costs and such other relief that the Panel deemed just and equitable.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. In addition, Respondent Crawford requested expungement of all references to this arbitration maintained by the Central Registration Depository ("CRD").

#### **OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with NASD Dispute Resolution ("NASD").

#### **AWARD**

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

1. Claimants' claims, each and all, are hereby denied and dismissed in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration

from Respondent Joan Crawford's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Joan Crawford must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

3. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, including punitive damages, are denied with prejudice; and
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys' fees.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 600

#### **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 Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc.

Member surcharge = \$ 2,800  
Pre-hearing process fee = \$ 750  
Hearing process fee = \$ 5,000

#### **Forum Fees and Assessments**

The Arbitration Panel assesses 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:

Two (2) Pre-hearing sessions with a single arbitrator x \$ 450 = \$ 900

Pre-hearing conferences: 05/30/2003 1 session

	10/27/2003	1 session	
One (1) Pre-hearing session with Panel x \$ 1,200			= \$ 1,200
Pre-hearing conference:	03/05/2003	1 session	
Eleven (11) Hearing sessions with Panel x \$ 1,200			= \$ 13,200
Hearing Dates:	11/04/2003	2 sessions	
	11/05/2003	2 sessions	
	11/06/2003	3 sessions	
	11/07/2003	2 sessions	
	11/14/2003	2 sessions	

Total Forum Fees = \$ 15,300

The Arbitration Panel has assessed \$ 7,650 of the forum fees, jointly and severally, to Wayne and Peggy Cooper, individually, and as co-trustees of the Peggy A. Cooper Family Trust, and as co-trustees of the Wayne Cooper Family Trust.

The Arbitration Panel has assessed \$ 7,650 of the forum fees jointly and severally to Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. and Joan Crawford.

#### Fee Summary

Claimants, Wayne and Peggy Cooper, individually, and as co-trustees of the Peggy A. Cooper Family Trust, and as co-trustees of the Wayne Cooper Family Trust, are jointly and severally liable for:

Initial Filing Fee	= \$ 600
<u>Forum Fees</u>	= \$ 7,650
Total Fees	= \$ 8,250
<u>Less payments</u>	= \$ 1,800
Balance Due NASD Dispute Resolution	= \$ 6,450

Respondent, Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc., is liable for:

<u>Member Fees</u>	= \$ 8,550
Total Fees	= \$ 8,550
<u>Less payments</u>	= \$ 8,550
Balance Due NASD Dispute Resolution	= \$ 0

Respondents, Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc., and Joan Crawford are jointly and severally liable for:

Forum Fees	= \$ 7,650
Total Fees	= \$ 7,650
Less payments	= \$ 0
Balance Due NASD Dispute Resolution	= \$ 7,650

**All balances are due to NASD Dispute Resolution pursuant to Rule 10330(g) of the Code of Arbitration**

**ARBITRATION PANEL**

James A. Lundberg, Esq. - Public Arbitrator, Presiding Chair  
Arthur Richard Tow, Esq. - Public Arbitrator  
Roy J. Burr, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

\_\_\_\_\_  
James A. Lundberg, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Arthur Richard Tow, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Roy J. Burr, Jr.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

12/4/05  
Date of Service (NASD use only)

NASD Dispute Resolution  
Arbitration No. 02-04996  
Award Page 3 of 5

Respondents, Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc., and Joan Crawford  
are jointly and severally liable for:

Forum Fees	= \$ 7,650
Total Fees	= \$ 7,650
Less payments	= \$ 0
Balance Due NASD Dispute Resolution	= \$ 7,650

All balances are due to NASD Dispute Resolution pursuant to Rule 10330(g) of the Code of Arbitration

**ARBITRATION PANEL**

James A. Lundberg, Esq. - Public Arbitrator, Presiding Chair  
Arthur Richard Tow, Esq. - Public Arbitrator  
Roy J. Burr, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

  
James A. Lundberg, Esq.  
Public Arbitrator, Presiding Chair

12/02/2003  
Signature Date

Arthur Richard Tow, Esq.  
Public Arbitrator

Signature Date

Roy J. Burr, Jr.  
Non-Public Arbitrator

Signature Date

12/4/03  
Date of Service (NASD use only)

Respondents, Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc., and Joan Crawford are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 7,650
<u>Total Fees</u>	= \$ 7,650
<u>Less payments</u>	= \$ 0
<u>Balance Due NASD Dispute Resolution</u>	= \$ 7,650

All balances are due to NASD Dispute Resolution pursuant to Rule 10330(g) of the Code of Arbitration

**ARBITRATION PANEL**

James A. Lundberg, Esq. - Public Arbitrator, Presiding Chair  
Arthur Richard Tow, Esq. - Public Arbitrator  
Roy J. Burr, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

James A. Lundberg, Esq.  
Public Arbitrator, Presiding Chair

Arthur Richard Tow  
Arthur Richard Tow, Esq.  
Public Arbitrator

Signature Date

11/17/03  
Signature Date

Roy J. Burr, Jr.  
Non-Public Arbitrator

Signature Date

12/14/03  
Date of Service (NASD use only)

Respondents, Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc., and Joan Crawford are jointly and severally liable for:

Forum Fees	= \$ 7,650
Total Fees	= \$ 7,650
Less payments	= \$ 0
Balance Due NASD Dispute Resolution	= \$ 7,650

All balances are due to NASD Dispute Resolution pursuant to Rule 10330(g) of the Code of Arbitration

**ARBITRATION PANEL**

James A. Lundberg, Esq. - Public Arbitrator, Presiding Chair  
Arthur Richard Tow, Esq. - Public Arbitrator  
Roy J. Burr, Jr. - Non-Public Arbitrator

Concurring Arbitrators:

James A. Lundberg, Esq.  
Public Arbitrator, Presiding Chair

Signature Date

Arthur Richard Tow, Esq.  
Public Arbitrator

Signature Date

Roy J. Burr, Jr.  
Non-Public Arbitrator

Signature Date

12/4/03  
Date of Service (NASD use only)

NASD Dispute Resolution, Inc.

RECEIVED  
DEC 04 2003