

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Ricardo Rafael Castillo, Claimant v. Prudential Securities Incorporated, Carlos Jimenez, and Brian D. Talgo, Respondents

Case Number:02-05966

Hearing Site: San Diego, California

Nature of the Dispute: Customer v. Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

Robert Scott Dreher, Esq.
Matthew R. Miller, Esq.
Dreher Law Firm
San Diego, California

For Respondents:

Charles B. LaChaussee, Esq.
Prudential Securities Incorporated
San Francisco, California

CASE INFORMATION

Statement of Claim filed: October 4, 2002

Claimant's Uniform Submission Agreement signed: July 31, 2002

Joint Statement of Answer filed by Respondents: February 4, 2003

Respondent Prudential Securities Incorporated's Uniform Submission Agreement signed:
February 4, 2003

Respondent Carlos Jimenez's Uniform Submission Agreement signed: January 2, 2003

Respondent Brian D. Talgo's Uniform Submission Agreement signed: August 27, 2003

CASE SUMMARY

Claimant alleged breach of fiduciary duty, negligence, breach of contract, and unfair business practices concerning unspecified securities.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$375,000.00, a reasonable rate of return of 7%, unspecified punitive damages, and reimbursement of all fees, commissions, and interest paid.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and costs. Additionally, Respondents Carlos Jimenez and Brian D. Talgo requested all reference to this matter be expunged from their respective CRD records.

OTHER ISSUES CONSIDERED AND DECIDED

On August 12, 2003, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waivers of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On February 12, 2004, Respondent Prudential Securities Incorporated filed a Motion to File a Counterclaim. After due deliberation, the Panel denied the motion.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents Prudential Securities Incorporated, Carlos Jimenez, and Brian D. Talgo are jointly and severally liable to and shall pay Claimant \$232,000.00 in compensatory damages.
- 2) Respondents Prudential Securities Incorporated, Carlos Jimenez, and Brian D. Talgo are jointly and severally liable to and shall pay Claimant interest at the rate of 5 ½% per annum on the sum of \$232,000.00 from October 1, 2001 until the Award is paid in full.
- 3) Claimant's request for punitive damages is denied.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Prudential Securities Incorporated is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,750.00
Total Member Fees	= \$ 5,200.00

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 or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing conference: February 16, 2004 1 session

One (1) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-hearing conference: November 6, 2003 1 session

Sixteen (16) Hearing sessions @ \$1,125.00/session = \$18,000.00
Hearings: March 16, 2004 2 sessions
March 17, 2004 2 sessions
March 18, 2004 2 sessions
March 19, 2004 2 sessions
August 23, 2004 2 sessions
August 24, 2004 2 sessions
August 25, 2004 2 sessions
August 26, 2004 2 sessions

Total Forum Fees = **\$19,575.00**

The Panel assessed \$19,575.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Less payments</u>	= <u>\$(1,425.00)</u>
Refund Due Claimant	= \$(1,125.00)

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

Member Fees	= \$ 5,200.00
<u>Less payments</u>	= <u>\$(5,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Prudential Securities Incorporated, Carlos Jimenez, and Brian D. Talgo are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	= \$19,575.00
<u>Total Fees</u>	= \$19,575.00
<u>Less Payments by Prudential Securities Incorporated</u>	= \$(1,000.00)
Balance Due NASD Dispute Resolution	= \$18,575.00

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

ARBITRATION PANEL

William R. Newsome, Esq.	-	Public Arbitrator, Presiding Chair
Raymond Prazen, Esq.	-	Public Arbitrator
John C. Lees, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

William R. Newsome, Esq.
Chair, Public Arbitrator

Signature Date



Raymond Prazen, Esq.
Public Arbitrator

9-2-04
Signature Date

John C. Lees, Jr.
Non-Public Arbitrator

Signature Date

9/2/04
Date of Service

ARBITRATION PANEL

William R. Newsome, Esq.	-	Public Arbitrator, Presiding Chair
Raymond Prazen, Esq.	-	Public Arbitrator
John C. Lees, Jr.	-	Non-Public Arbitrator

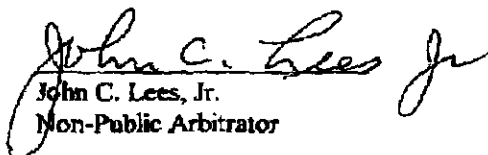
Concurring Arbitrators' Signatures

William R. Newsome, Esq.
Chair, Public Arbitrator

Signature Date

Raymond Prazen, Esq.
Public Arbitrator

Signature Date


John C. Lees, Jr.
Non-Public Arbitrator

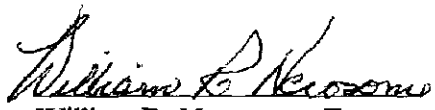
9/1/2004
Signature Date

9/2/04
Date of Service

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Raymond Prazen, Esq.	-	Public Arbitrator
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William R. Newsome, Esq.
Chair, Public Arbitrator

1 Sept. 04
Signature Date

Raymond Prazen, Esq.
Public Arbitrator

Signature Date

John C. Lees, Jr.
Non-Public Arbitrator

Signature Date

9/2/04
Date of Service