
Amended Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Episcopal Diocese of Central Florida

Case Number: 02-07790

Names of the Respondents
Prudential Securities Incorporated
Continental Broker-Dealer Corp.
William J. Brewster, Jr.
John B. Trumbo

Hearing Site: Orlando, Florida

Name of the Third Party Respondent
Earl Pickett

Nature of the Dispute: Customer vs. Members and Associated Persons v. Customer.

REPRESENTATION OF PARTIES

For Episcopal Diocese of Central Florida, hereinafter referred to as "Claimant": Robert Dyer, Esq., Allen, Dyer, Doppelt, Milbrath & Gilchrist, P.A., Orlando, Florida.

For Prudential Securities Incorporated, hereinafter referred to as "Respondent Prudential": Richard L. Martens, Esq., Law Offices of Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

For Continental Broker-Dealer Corp., hereinafter referred to as "Continental": Harry Delagrammatikas, Esq., Liam O'Brien & Associates, P.C., New York, New York.

For William J. Brewster, Jr., hereinafter referred to as "Brewster": Richard L. Martens, Esq., Law Offices of Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

For John B. Trumbo, hereinafter referred to as "Trumbo": Robert V. Williams, Esq., Williams Schifino Mangione & Steady, P.A., Tampa, Florida. On or about March 25, 2004, Robert V. Williams, Esq. withdrew as counsel. Thereafter, Respondent Trumbo appeared *pro se*.

For Earl Pickett, hereinafter referred to as "Pickett": Robert Dyer, Esq., Allen, Dyer, Doppelt, Milbrath & Gilchrist, P.A., Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on or about: December 23, 2002.

Amended Statement of Claim filed on or about: August 5, 2003.

Claimant signed Uniform Submission Agreements on: December 23, 2002 and August 21, 2003.

Statement of Answer filed by Respondent Prudential on or about: April 4, 2003.

Statement of Answer and Third Party Claim filed by Respondent Continental on or about: January 21, 2004.

Statement of Answer filed by Respondent Brewster on or about: April 4, 2003.

Statement of Answer filed by Respondent Trumbo on or about: April 7, 2003.

Respondent Prudential signed the Uniform Submission Agreement on: February 11, 2003.

Respondent Continental did not file an executed Uniform Submission Agreement.

Respondent Brewster signed the Uniform Submission Agreement on: February 11, 2003.

Respondent Trumbo signed the Uniform Submission Agreement on: February 20, 2003.

Third Party Respondent Pickett did not file a Statement of Answer or executed Uniform Submission Agreement.

CASE SUMMARY

Claimant alleged the following causes of action: 1) violations of the Florida Securities and Investor Protection Act, breach of fiduciary duty, negligence/gross negligence and breach of contract for which Respondents Continental and Trumbo are responsible for both compensatory and punitive damages; and 2) negligence and breach of fiduciary duty by Respondent Prudential. The causes of action relate to investments, including shares of stock in JDS Uniphase and shares of mutual funds in VanKampen Aggressive Growth Internet Fund and VanKampen Telecom Trust Series 9, in Claimant's investment accounts known as the Slemaker Fund, the Endowment Fund, the Mowery Fund, and the Trust & Agency Fund.

Unless specifically admitted in their Answer, Respondents Prudential, Continental, Brewster and Trumbo denied the allegations made in the Statement of Claim and asserted various defenses.

Respondent Continental alleged a Third Party Claim against Third Party Respondent Pickett. Respondent Continental alleged that Third Party Respondent Pickett violated Section 518.11(a)-(d), Florida Statutes, as trustee and fiduciary in connection with Claimant's accounts.

RELIEF REQUESTED

Claimant requested: 1) net out-of pocket losses with legal interest in the amount of \$831,671.29; 2) *Miley* damages with legal interest in the amount of \$1,031,898.20; 3) punitive damages; 4) costs; and 5) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent Prudential requested: 1) dismissal with prejudice of the Statement of Claim in its entirety; and 2) costs.

Respondent Continental requested: 1) dismissal with prejudice of the Statement of Claim in its entirety; 2) unspecified compensatory damages against Third Party Respondent Pickett; 3) costs; 4) attorneys' fees; and 5) such other relief the Panel deemed just and proper.

Respondent Brewster requested: 1) dismissal with prejudice of the Statement of Claim in its entirety; 2) costs; and 3) expungement of all reference to the above captioned arbitration from Respondent Brewster's registration records maintained by the NASD Central Registration Depository ("CRD").

Respondent Trumbo requested dismissal with prejudice of the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Continental did not file with NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, is bound by the determination of the Panel on all issues submitted.

On or about August 4, 2003, Claimant filed its Motion to Add Party Continental Broker-Dealer Corp. Respondent Prudential consented to the motion. Respondent Trumbo remained neutral with respect to the motion. On or about September 5, 2003, the Panel granted Claimant's motion to add Respondent Continental as a party respondent.

On or about February 10, 2004, Respondent Continental filed its Motion to Adjourn the evidentiary hearing scheduled for April 26 – 30, 2004 and May 10 – 11, 2004. On or about February 25, 2004, Claimant filed its Motion to Dismiss and in Opposition to Continental's Motion to Adjourn. Claimant moved to dismiss, without prejudice, its claims against Respondent Continental.

On or about March 11, 2004, the Panel conducted a telephonic pre-hearing conference with the parties. On or about March 11, 2004, the Panel: 1) granted Claimant's motion; 3) dismissed, without prejudice, Claimant's claims against Respondent Continental; 4) ordered that Claimant's outstanding claims pending against the remaining respondents were not affected by dismissal of Claimant's claims against Respondent Continental; 5) ordered that all outstanding document and discovery requests by Respondent Continental become Respondent Trumbo's requests; and 6) determined that Respondent Continental's motion to adjourn is moot.

On or about March 12, 2004, the Panel entered its Supplemental Order. In accordance with the Panel's Order of March 11, 2004, the Panel dismissed without prejudice Respondent Continental's Third Party Claim against Third Party Respondent Pickett.

At the conclusion of the testimony presented at the evidentiary hearing, Respondent Brewster moved for dismissal of Claimant's claims and for expungement of all reference to the above captioned arbitration from Respondent Brewster's registration records maintained by the NASD CRD. Claimant opposed the motion. The Panel granted the motion, dismissed with prejudice Claimant's claims against Respondent Brewster, and recommended expungement of all reference to the above captioned arbitration from Respondent Brewster's

registration records maintained by the NASD CRD.

On or about May 10, 2004, NASD Dispute Resolution served the Panel's Award upon the parties. On or about May 13, 2004, Claimant filed its Motion/Request for Correction of Award. On or about May 24, 2004, Respondents Prudential and Brewster filed their written response without objection to the motion. On or about May 27, 2004, the Panel granted the motion.

The parties agreed that the Amended Award in this matter may be executed in counterpart copies or that a handwritten, signed Amended Award may be entered.

AMENDED AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims against Respondent Brewster are dismissed with prejudice in their entirety.
2. Claimant's claims against Respondents Prudential and Trumbo are denied in their entirety.
3. Claimant's request for punitive damages is denied.
4. The Panel recommends expungement of all references to the above-captioned arbitration proceeding from Respondent Brewster's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Brewster must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
5. Any and all claims for relief not specifically addressed herein are denied.

FEES

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

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 375.00
Third party claim filing fee	= \$ 500.00

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. Accordingly, Respondents Prudential and Continental are member firms and parties.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00 per session = \$ 1,350.00

Pre-hearing conferences:	January 8, 2004	1 session
	March 11, 2004	1 session
	March 29, 2004	1 session

One (1) Pre-hearing session with Panel @ \$1,200.00 per session = \$ 1,200.00

Pre-hearing conference:	July 29, 2003	1 session
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Ten (10) Hearing sessions @ \$1,200.00 per session = \$12,000.00

Hearing Dates:	April 26, 2004	2 sessions
	April 27, 2004	2 sessions
	April 28, 2004	2 sessions
	April 29, 2004	2 sessions
	April 30, 2004	2 sessions

Total Forum Fees	= \$14,550.00
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The Panel has assessed forum fees in the amount of \$7,275.00 to Claimant.

The Panel has assessed forum fees in the amount of \$7,275.00 to Respondent Prudential.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 7,275.00
Total Fees	= \$ 7,650.00
<u>Less payments</u>	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 6,075.00

Respondent Prudential is solely liable for:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 7,275.00
Total Fees	= \$14,275.00
<u>Less payments</u>	= \$14,275.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Continental is solely liable for:

Third Party Claim Filing Fee	= \$ 500.00
Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,500.00
<u>Less payments</u>	= \$ 7,500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

<i>Charles Tindell, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Donald M. Macdonald</i>	-	<i>Public Arbitrator</i>
<i>Gustavus L. Pearthree</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/s/
Charles Tindell, Esq.
Public Arbitrator, Presiding Chairperson

June 15, 2004
Signature Date

_____/s/
Donald M. Macdonald
Public Arbitrator

June 15, 2004
Signature Date

/s/
Gustavus L. Pearthree
Non-Public Arbitrator

June 16, 2004
Signature Date

June 18, 2004
Date of Service (For NASD Dispute Resolution office use only)

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	<u>= \$ 7,275.00</u>
Total Fees	= \$ 7,650.00
<u>Less payments</u>	<u>= \$ 1,575.00</u>
Balance Due NASD Dispute Resolution	= \$ 6,075.00

Respondent Prudential is solely liable for:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	<u>= \$ 7,275.00</u>
Total Fees	= \$14,275.00
<u>Less payments</u>	<u>= \$14,275.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Continental is solely liable for:

Third Party Claim Filing Fee	= \$ 500.00
Member Fees	= \$ 7,000.00
Total Fees	= \$ 7,500.00
<u>Less payments</u>	<u>= \$ 7,500.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Charles Tindell, Esq.	-	Public Arbitrator, Presiding Chairperson
Donald M. Macdonald	-	Public Arbitrator
Gustavus L. Pearthree	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles Tindell
Charles Tindell, Esq.
Public Arbitrator, Presiding Chairperson

6-15-04
Signature Date

Donald M. Macdonald
Donald M. Macdonald
Public Arbitrator

Signature Date

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There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 7,275.00
Total Fees	= \$ 7,650.00
<u>Less payments</u>	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 6,075.00

Respondent Prudential is solely liable for:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 7,275.00
Total Fees	= \$14,275.00
<u>Less payments</u>	= \$14,275.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Continental is solely liable for:

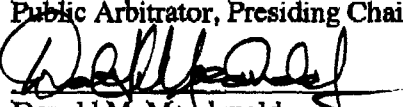
Third Party Claim Filing Fee	= \$ 500.00
<u>Member Fees</u>	= \$ 7,000.00
Total Fees	= \$ 7,500.00
<u>Less payments</u>	= \$ 7,500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Charles Tindell, Esq.	-	Public Arbitrator, Presiding Chairperson
Donald M. Macdonald	-	Public Arbitrator
Gustavus L. Pearthree	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles Tindell, Esq.
Public Arbitrator, Presiding Chairperson

Donald M. Macdonald
Public Arbitrator

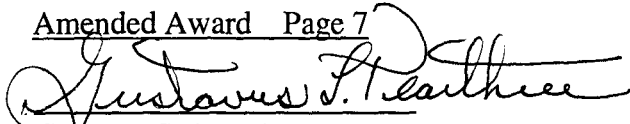
Signature Date

06/15/2004
Signature Date

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Gustavus L. Pearthree

Non-Public Arbitrator

6/16/2004

Signature Date

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