
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Donna R. Venski
Stanley J. Venski

Case Number: 03-01959

Names of the Respondents

Prudential Securities, Inc.
Robert F. Finnigan

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Associated Person

REPRESENTATION OF PARTIES

For Donna R. Venski and Stanley J. Venski, hereinafter collectively referred to as "Claimants": Scott L. Warfman Esq., Miami, Florida.

For Prudential Securities Inc. ("PSI") and Robert F. Finnigan ("Finnigan"), hereinafter collectively referred to as "Respondents": Kathy M. Klock, Esq., Steel Hector & Davis LLP, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: March 19, 2003.

Claimants signed the Uniform Submission Agreement: March 12, 2003.

Statement of Answer filed by Respondents on or about: July 3, 2003.

Respondent PSI signed the Uniform Submission Agreement: October 20, 2003.

Respondent Finnigan signed the Uniform Submission Agreement: April 28, 2003.

CASE SUMMARY

Claimants allege that they had an agreement with Respondents that their account would transition from a moderately aggressive strategy to a conservative strategy when the combined values of their accounts reached \$1,000,000.00, and that Respondents failed to transition the accounts. Claimants alleged damages in the amount of the losses they incurred in the market during the two and one half years that followed the date their accounts reached a total value of 1,000,000.00. Claimants asserted the following causes of action: 1) breach of fiduciary duty; 2) breach of contract; 3) violation of Florida Statutes, Chapter 517 and federal securities regulations; 4) negligence; 5) gross negligence; 6) failure to supervise; 7) fraud; and, 8) respondeat superior. The causes of action relate to the purchase and sale of various stocks in Claimants' account, including, but not limited to, Cisco, Cypress Semiconductor, Imclone Systems Inc., Jacobson Resonance Enterprises, Lucent Technologies, Microsoft, Neopharm, New Era Networks, Red Hat, Sagent Technology and Silicon Image.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In addition, Respondents denied that such an agreement was ever reached, and alleged, affirmatively, that Claimant Stanley Venski remained an active trader in the market, authorized all transactions in the accounts, and maintained control over the accounts throughout the period of time they were at Prudential Securities. Respondents further maintained that the Claimants' losses were caused by the market conditions and not by any action or inaction on the part of the Respondents.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$1,500,000.00 including punitive damages and attorney's fees pursuant to Florida Statutes, Chapter 517, interest, rescission of the transactions, including return of commissions, margin interest and all other charges and costs.

Respondents PIS and Finnigan, respectively, requested that the undersigned arbitrators (the "Panel") dismiss the Statement of Claim in its entirety and an award of costs, including expert witness and NASD fees. In addition, Respondents requested an award entitling them to recover attorney's fees from a court of competent jurisdiction in accordance with Florida Statutes, Chapter 517.211.

OTHER ISSUES CONSIDERED AND DECIDED

On or about April 19, 2004, the parties informed NASD Dispute Resolution that they had entered into a settlement agreement.

On or about May 5, 2004, the parties filed an Agreed Motion Requesting a Stipulated Award and a proposed Stipulated Award with a request for expungement of this matter from the Central Registration Depository (the "CRD") record of Respondent Finnigan. Thereafter, on May 26, 2004, the parties submitted to NASD Dispute Resolution a Motion to Re-open these proceedings in order to enter the Stipulated Award for expungement of Respondent Finnigan's NASD CRD records.

On or about July 1, 2004, the Panel issued an Order that granted the parties' Motion to Re-open this matter and Agreed Motion Requesting a Stipulated Award.

The parties have agreed that the Stipulated Award in this matter may be entered in counterpart copies or that a signed handwritten Stipulated Award may be entered.

AWARD

After considering the pleadings, the Stipulated Motion for Award Directing Expungement and the proposed Stipulated Award with request for expungement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1) All Claimants' claims are dismissed, with prejudice.
- 2) The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Finnigan's registration records maintained by the NASD CRD, with the understanding

that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Finnigan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

- 3) All parties will bear their own attorney's fees and costs.
- 4) Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, are denied.

FEES

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

Filing Fees

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

Initial claim filing fee	= \$ 500.00
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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. Accordingly, PSI is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

No requests for adjournments were filed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: November 7, 2003 1 session	
December 12, 2003 1 session	
One (1) Pre-hearing session with the Panel @ \$1200.00	= \$1,200.00
Pre-hearing conference: October 17, 2003 1 session	
Total Forum Fees	= \$2,100.00

The Panel has assessed \$1,050.00 of the forum fees jointly and severally to Claimants.
The Panel has assessed \$1,050.00 of the forum fees jointly and severally to Respondents.

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.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$1,050.00
Total Fees	= \$1,550.00
<u>Less payments</u>	<u>= \$1,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent PSI is solely liable for:

<u>Member Fees</u>	= \$8,550.00
Total Fees	= \$8,550.00
<u>Less payments</u>	<u>= \$8,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents PSI and Finnigan are jointly and severally liable for:

<u>Forum Fees</u>	= \$1,050.00
Total Fees	= \$1,050.00
<u>Less payments</u>	<u>= \$1,050.00</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

Howard A. Tescher, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
Michael R. Emery, Esq.	-	Public Arbitrator
William T. England, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Howard A. Tescher, Esq.
Non-Public Arbitrator, Presiding Chairperson

07/27/04
Signature Date

/s/
Michael R. Emery, Esq.
Public Arbitrator

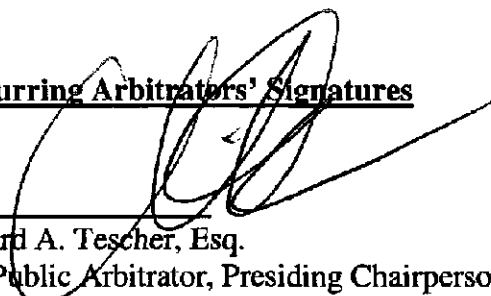
07/08/04
Signature Date

/s/
William T. England, Esq.
Public Arbitrator

07/10/04
Signature Date

07/29/04
Date of Service (For NASD Dispute Resolution office use only)

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Howard A. Tescher, Esq.
Non-Public Arbitrator, Presiding Chairperson


Signature Date

Michael R. Emery, Esq.
Public Arbitrator

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William T. England, Esq.
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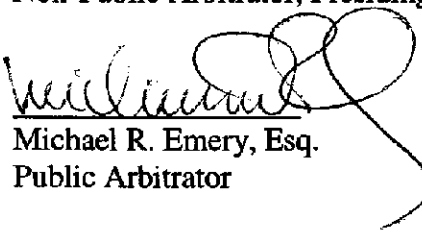
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Non-Public Arbitrator, Presiding Chairperson

Signature Date



Michael R. Emery, Esq.
Public Arbitrator

7-8-04

Signature Date

William T. England, Esq.
Public Arbitrator

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William T. England, Esq.
Public Arbitrator

07/10/04

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