
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

George K. Webster
Patricia S. Webster

Case Number: 03-03757

Names of the Respondents

Prudential Securities, Inc.
Michael Russell

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For George K. Webster and Patricia S. Webster, hereinafter collectively referred to as "Claimants": Gary W. O'Donnell, Esq., Adorno & Yoss, P.A., Boca Raton, Florida.

For Prudential Securities, Inc. ("PSI") and Michael Russell ("Russell"), hereinafter collectively referred to as "Respondents": Jason S. Haselkorn, Esq., Boose Casey Ciklin Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: May 22, 2003.

Claimant George K. Webster signed the Uniform Submission Agreement: April 25, 2003.

Claimant Patricia S. Webster signed the Uniform Submission Agreement: April 23, 2003.

Statement of Answer filed by Respondents on or about: August 25, 2003.

Respondent PSI signed the Uniform Submission Agreement: July 24, 2003.

Respondent Russell signed the Uniform Submission Agreement: July 21, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: 1) negligent and reckless supervision; 2) breach of contract; 3) fraud and deceit; 3) unsuitability; 4) misrepresentation; 5) negligence; 6) breach of fiduciary duty; 7) churning; 8) conversion; 9) failure to supervise; and, 10) violation of federal and state securities laws and the rules and regulations of the NASD and other regulatory agencies. The causes of action relate to the purchase and sale of various stocks in Claimant's account, including, but not limited to, AOL Time Warner, Automatic Data Processing Inc., Baxter International, Cardinal Health Inc., Cisco Systems, Dell Computer Corp., Electronic Data Systems Corp., Home Depot Inc., Lowes Companies Inc., Medtronics and Microsoft Corp.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$500,000.00, interest at the legal rate from date of purchase or reasonable market return, rescission, punitive damages, attorney's fees, costs and such other and further relief as the Panel deemed appropriate, including disciplinary referrals.

Respondents requested that the Statement of Claim be dismissed in its entirety and that they be awarded their costs, expenses, attorney's fees and such further relief as the Panel deemed just and proper. In addition, Respondents requested that this matter be expunged from the Central Registration Depository (the "CRD") record of Respondent Russell.

OTHER ISSUES CONSIDERED AND DECIDED

During the final hearing for this matter, Respondents presented a Motion to Dismiss to the Panel. The Panel denied this motion.

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

AWARD

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

Respondents are found not liable and Claimants' claims are denied in their entirety.

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

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and the parties' requests for attorney's fees, 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	= \$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. Accordingly, Respondent PSI is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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:

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$1,350.00
Pre-hearing conferences: May 26, 2004 1 session	
May 28, 2004 1 session	
June 9, 2004 1 session	
One (1) Pre-hearing session with the Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: December 2, 2003 1 session	
Five (5) Hearing sessions with the Panel @ \$1,125.00	= \$5,625.00
Hearing Dates: June 15, 2004 2 sessions	
June 16, 2004 2 sessions	
June 17, 2004 1 session	
Total Forum Fees	= \$8,100.00

The Panel has assessed \$8,100.00 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:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 300.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondent PSI is solely liable for:

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

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 8,100.00
<u>Total Fees</u>	= \$ 8,100.00
<u>Less payments</u>	= \$ 1,800.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 6,300.00

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

ARBITRATION PANEL

<i>Stuart M. Diamond</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Judy Avey</i>	-	<i>Public Arbitrator</i>
<i>Bernard Hornick</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Stuart M. Diamond
Public Arbitrator, Presiding Chairperson

06/19/04
Signature Date

/s/
Judy Avey
Public Arbitrator

06/21/04
Signature Date

/s/
Bernard Hornick
Non-Public Arbitrator

06/21/04
Signature Date

06/22/04
Date of Service (For NASD Dispute Resolution office use only)

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Non-Public Arbitrator

6/19/04
Signature Date

Signature Date

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Concurring Arbitrators' Signatures

Stuart M. Diamond
Public Arbitrator, Presiding Chairperson

Signature Date



Judy Avey
Public Arbitrator

6-21-04

Signature Date

Bernard Hornick
Non-Public Arbitrator

Signature Date

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Judy Avey
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- Public Arbitrator, Presiding Chairperson
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

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Public Arbitrator, Presiding Chairperson

Signature Date

Judy Avey
Public Arbitrator

Signature Date


Bernard Hornick
Non-Public Arbitrator

6/21/04
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