

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
Robert T. Clopp  
Robert T. Clopp IRA

Case Number: 03-05124

Names of the Respondents  
Prudential Securities, Inc.  
Robert Ronald O'Braitis

Hearing Site: Baltimore, Maryland

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

REPRESENTATION OF PARTIES

Claimant, Robert T. Clopp individually and on behalf of his IRA, was represented by Charles Bagley, IV, Esq., Bagley & Rhody, P.C., Annapolis, Maryland.

Respondents, Prudential Securities, Inc. ("Prudential"), and Robert Ronald O'Braitis ("O'Braitis"), hereinafter collectively referred to as "Respondents", were represented by Daniel T. Fitch, Esq., Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on July 11, 2003.

Claimant signed the Uniform Submission Agreement on June 26, 2003.

Joint Statement of Answer filed by Respondents on October 6, 2003.

Respondent O' Braitis signed the Uniform Submission Agreement on August 24, 2003.

CASE SUMMARY

Claimant asserted the following causes of action, among others: failure to supervise, common law fraud, violation of Section 11-703 of the Maryland Securities Act and Section 13.1-502 of the Virginia Securities Act, breach of fiduciary duty, negligence, and breach of contract. The causes of action relate to options trading in Claimant's accounts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: any losses suffered by Claimant were due to market conditions and extraordinary events beyond the control of Respondents, Claimant is estopped from marking the claims set forth, ratification, and failure to mitigate damages.

RELIEF REQUESTED

Claimant in his Statement of Claim requested:

Compensatory Damages	\$301,000.00
Punitive Damages	\$100,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified
Management Fees	amount unspecified

Respondents in their Statement of Answer requested that Claimant's claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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

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.

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:

1. All claims against Respondents Prudential and O'Braitis are denied in their entirety;
2. All claims for punitive damages and attorneys' fees are denied in their entirety;
3. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
4. Any and all relief not specifically addressed herein is denied in its entirety.

FEES

Pursuant to 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

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the

dispute. Accordingly, Prudential is a party.

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 has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One Pre-hearing session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: March 8, 2004 1 session	
Four (4) Hearing sessions @ \$1,125.00	= \$4,500.00
Hearing Dates: October 26, 2004 2 sessions	
October 27, 2004 2 sessions	
Total Forum Fees	= \$5,625.00

1. The Panel has assessed \$2,812.50 of the forum fees to Claimant.
2. The Panel has assessed \$2,812.50 of the forum fees jointly and severally to Respondents Prudential and O'Braitis.

#### FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$2,812.50
Total Fees	= \$3,112.50
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$1,687.50
2. Respondent Prudential is assessed and shall pay the following fees:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 00.00
4. Respondents Prudential and O'Braitis are jointly and severally assessed and shall pay the following fees:

Forum Fees	= \$2,812.50
Total Fees	= \$2,812.50
Less payments	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$2,812.50

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

ARBITRATION PANEL

David L. Ruderman, Esq.	-	Public Arbitrator, Presiding Chairperson
Elaine A. Sehart-Green, Esq.	-	Public Arbitrator, Panelist
O. Ray Vass	-	Non-Public Arbitrator, Panelist

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Concurring Arbitrators' Signatures

David L. Ruderman  
David L. Ruderman, Esq.  
Public Arbitrator, Presiding Chairperson

11/11/04  
Signature Date

Elaine A. Sehart-Green, Esq  
Public Arbitrator, Panelist

Signature Date

O. Ray Vass  
Non-Public Arbitrator, Panelist

Signature Date

11/15/04  
Date of Service (For NASD Dispute Resolution office use only)


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