

N.A.S.D. AWARD  
NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)  
Lynn Schroeder Nanko

87-00538

Name of Respondent(s)  
Prudential-Bache Securities Inc.  
Dominic Fama  
Allan R. Campbell

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REPRESENTATION

Claimant represented herself.

Respondents were represented by Timothy Will of the law firm of Keesal, Young and Logan.

CASE SUMMARY

This matter was initiated by a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on May 1, 1987.

Claimant alleged violation of federal securities laws and pendent state law claims for fraud and deceit, intentional infliction of emotional distress, negligent infliction of emotional distress, intentional misrepresentation, negligent misrepresentation, negligence, violations of the California Corporations Code, breach of fiduciary duty, negligent hiring and supervision, and rescision and revocation of contract.

Respondents alleged that all activity in Claimant's account was thoroughly explained to her prior to placing any trade, that she knew full well and appreciated the risks associated with her investments, that she exercised constant and total control over her account, that all activity was suitable in light of her stated objectives of income and some speculation, that the losses sustained were within her stated risk level, and that her losses were the result of her trading and thus not recoverable against Respondents.

RELIEF REQUESTED

Claimant requested 1) actual out-of-pocket losses in the sum of \$40,000.00; 2) general damages on those claims as to which such damages may be awarded under applicable state law, according to proof; and 3) punitive and exemplary damages in a sum sufficient to punish Respondents, and set an example of said Respondents on those claims arising under State laws where said damages are alleged in the Federal Court Complaint. Respondents requested that the Claim be dismissed in its entirety.

### AWARD

On May 20, 21, 22, 23, 24, and June 19, 20 and 21, 1991 in Los Angeles, California during a hearing lasting sixteen sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on March 20, 1987, by Andrew M. Upton on June 19, 1991 on behalf of Respondent Prudential Securities, by Respondent Dominic Fama on July 8, 1987, and by Respondent Alan Campbell on March 20, 1987.

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

1. Respondents are liable for and shall pay to Claimant the sum of Forty One Thousand Five Hundred Forty Nine Dollars (\$41,549.00), inclusive of pre-award interest and costs, plus post-award interest at the rate of 10% per annum from the date of this award until paid. Said liability is joint and several.
2. Each and every claim for punitive or exemplary damages is dismissed.

### FORUM FEES

In accordance with Section 43c of the NASD Code of Arbitration Procedure, the NASD shall retain the \$500 filing fee previously deposited by the Claimant [as an assessment of forum fees by the arbitrators]. Respondents are jointly and severally liable for reimbursing Claimant said \$500 filing fee. In addition, Claimant Respondent is also assessed fees of \$5,000. Fees are payable to the National Association of Securities Dealers, Inc.

### OTHER ISSUES

Hearing sessions were held on June 28, July 6, and August 1, 1988, January 23, March 9, April 6, 1989, and November 15, 1990 before a different arbitration panel. Claimant made a motion to terminate the proceedings and restart, which was granted. Respondents' Motion for Reconsideration was denied. A new arbitration panel and hearing dates were subsequently assigned.

Concurring Arbitrators Signatures

Arbitration Panel

Roberta Haft

Aaron Fenton


George L. Maison, M.D.

Industry

Chair / Public

Public

Concurring Arbitrators Signatures

  
Roberta Haft

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Aaron Fenton

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George L. Maison, M.D.

Date of Decision: 6-21-91

Case Served 8/21/1991