

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Health Net

vs.

89-02052

Name of Respondent(s)

Prudential-Bache Securities, Inc.
Shearson Lehman Hutton, Inc.
Randal Frankel

REPRESENTATION

For Claimant: Steven A. Meadville, Esq., and Howard E. Cole, Esq., Vogt, Sanchez & Meadville, Encino, California.

For Respondent: Prudential-Bache Securities: Marc S. Dobin, Esq.,
Prudential Securities, Inc., New York, New York.

For Respondent: Shearson Lehman Hutton: Neal S. Robb, Esq., and Janet M. Simmons, Esq., Keesal Young & Logan, Long Beach, California.

CASE INFORMATION

Statement of Claim filed: August 30, 1989

Claimant's Submission Agreement signed: June 26, 1989

Statement of Answer filed by Respondent: Prudential-Bache: October 20, 1989
Statement of Answer filed by Respondent: Shearson Lehman Hutton: December 11, 1989

Respondents' Submission Agreement signed: Prudential-Bache - October 19, 1989

Respondents' Submission Agreement signed: Shearson Lehman - November 17, 1989

HEARING INFORMATION

Hearing Date(s)/Sessions: Pre-Hearing Conference: June 18, 1990 - 1 session
July 22, 1991 - 1 session

Evidentiary Hearings: August 7, 1991 - 1 session
October 29, 1991 - 2 sessions
October 30, 1991 - 2 sessions
December 16, 1991 - 2 sessions
December 17, 1991 - 2 sessions
December 18, 1991 - 2 sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged breach of contract, misrepresentation and fraud in connection with their investment relationship with Respondents; more specifically Claimant alleged that Respondents failed to charge "reasonable and competitive" commissions as outlined in their contract.

Respondents denied all allegations of wrong-doing and asserted that Claimant had sustained no damages.

RELIEF REQUESTED

Claimant requested damages of approximately \$200,000, plus punitive damages of \$1,000,000, costs of arbitration and attorney's fees.

Respondents requested dismissal of all claims, and an award of costs of arbitration and attorney's fees.

AWARD

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

1. All claims brought by Claimant, including the claim for punitive damages, are dismissed.
2. The parties shall each bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$1000 fee previously deposited by the Claimant as an assessment of forum fees. In addition, Claimant is assessed additional forum fees of \$10,600, representing assessments for 10 additional evidentiary hearing sessions and 2 pre-hearing conferences.

Fees are payable to the National Association of Securities Dealers, Inc.

OTHER ISSUES

On September 24, 1991, Randal Frankel filed a petition under Chapter 7 of the Bankruptcy Code in the U.S. Bankruptcy Court, Central District of California, Santa Ana Division, Case #SA91-39213JW, whereupon all claims against him were stayed.

ARBITRATION PANEL

<u>Name</u>	<u>Public/Industry</u>
Lambert M. Javelera	Public
Harry Miller	Public
Alvin B. Ashar	Industry

Concurring Arbitrator's Signatures

DATE SERVED: 01/09/92

Alvin B. Ashar

Date of Decision: January 1, 1992