

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

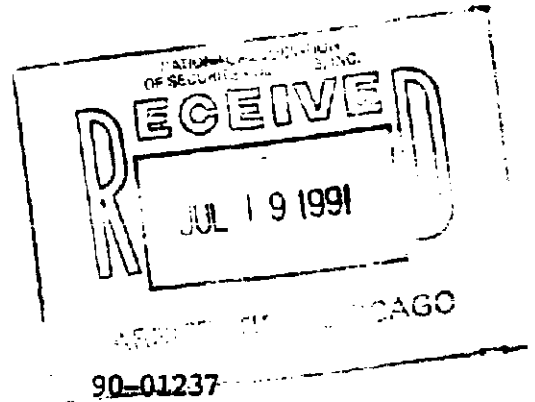
In the Matter of the Arbitration Between

Name of Claimants

Gerald R. Shaw & Ann Miller Shaw

Name of Respondent(s)

Prudential-Bache Securities Inc.
David J. Thompson



REPRESENTATION OF PARTIES

Gerald R. and Ann Miller Shaw were represented by Mark J. Briol, Esq. of Briol & Wilmes, Minneapolis, Minnesota.

Prudential-Bache Securities, Inc. and David J. Thompson were represented by Edward Samson, Esq. of Prudential-Bache Securities, Inc.

CASE SUMMARY

In a Statement of Claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about May 1, 1990, Gerald R. Shaw and Ann Miller Shaw ("Claimant") alleged that David J. Thompson ("Thompson") made unsuitable trades and acted against the interests of Claimants. Claimants specifically alleged that Thompson made material misrepresentations or failed to state material facts with respect to the risks involved in trading options; the purchase of Asia-Pacific Fund shares; the purchase of shares of Nicholas-Applegate; and the purchase of shares of Sedonia. Claimants alleged that Prudential-Bache Securities, Inc. n/k/a Prudential Securities, Inc. ("Prudential") failed to supervise Thompson. Claimants also alleged that Thompson and Prudential (collectively as "Respondents") violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10(b)(5) promulgated thereunder Section 20(a) of the Securities Exchange Act of 1934; Minnesota Securities laws; breached common and statutory, fiduciary duties; were negligent; violated the NASD Rule of Fair Practice and committed common law fraud.

In their joint Statement of Answer filed with the NASD on or about June 22, 1990, Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that claimants were fully advised of the risks involved in trading options as well as other speculative securities. Respondents specifically denied that Thompson stated that the purchases of Asia-Pacific Fund and Nicholas-Applegate were linked in any way or that there was any limitation as to the number of shares that could be purchased of the Asia-Pacific fund. Respondents asserted the following affirmative defenses; authorization; ratification; waiver; estoppel; failure to state a cause of action upon which relief may be granted; and that the claims are barred by the Statute of Limitations.

RELIEF REQUESTED

Claimants requested an award of an amount in excess of \$20,000.00 in compensatory damages, punitive damages in the amount of \$20,000.00, reasonable attorneys fees, interest, costs and expenses.

Respondents requested that the Statement of Claim be denied in its entirety and an award of their costs.

PROCEDURAL MATTERS

On Friday, June 21, 1991 in Minneapolis, Minnesota during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by on March 8, 1990 by Claimants, Gerald R. and Ann Mill Shaw on August 6, 1990 by Kimberly Unger, Esq. on behalf of Respondent Prudential-Bache Securities, Inc. and on May 30, 1990 by Respondent David J. Thompson.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

AWARD

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Prudential Securities, Inc. and David J. Thompson shall be and hereby are jointly and severally liable for and shall pay to the Claimants Gerald R. Shaw and Ann Miller Shaw the sum of Twenty Six Thousand Two Hundred Seven Dollars (\$26,207.00);

2. No interest is awarded on the above stated sum;

3. No punitive damage's are awarded herein;

4. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter; and

5. Pursuant to Section 43c of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the hearing session deposit in the amount \$180.00 previously deposited with the NASD by the Claimants. Respondents Prudential Securities, Inc. and David J. Thompson shall be and hereby are jointly and severally liable for and shall pay to the NASD the sum of \$800.00 as forum fees.

Concurring Arbitrator(s) Signature

Dated:

Douglas D. McFarland, Esq.
Presiding Chairman
Public Arbitrator.


James A. Lundberg, Esq.
Public Arbitrator

James L. Glere
Industry Arbitrator

3. No punitive damage's are awarded herein;


4. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter; and

5. Pursuant to Section 43c of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the hearing session deposit in the amount \$180.00 previously deposited with the NASD by the Claimants. Respondents Prudential Securities, Inc. and David J. Thompson shall be and hereby are jointly and severally liable for and shall pay to the NASD the sum of \$800.00 as forum fees.

Concurring Arbitrator(s) Signature

Dated:

July 16, 1991


Douglas D. McFarland, Esq.
Presiding Chairman
Public Arbitrator

James A. Lundberg, Esq.
Public Arbitrator

James L. Glere
Industry Arbitrator

3. No punitive damage's are awarded herein;

4. Each party shall bear its own costs, expenses and attorney's fees incurred in this matter; and

5. Pursuant to Section 43c of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the hearing session deposit in the amount \$180.00 previously deposited with the NASD by the Claimants. Respondents Prudential Securities, Inc. and David J. Thompson shall be and hereby are jointly and severally liable for and shall pay to the NASD the sum of \$800.00 as forum fees.

Concurring Arbitrator(s) Signature

Dated:

Douglas D. McFarland, Esq.
Presiding Chairman
Public Arbitrator

James A. Lundberg, Esq.
Public Arbitrator

7-15-91

James L. Giere
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Industry Arbitrator