

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

JUL 2 1992

In the Matter of the Arbitration Between

Name of Claimants

Thomas and Patricia Shoop

and

91-01334

Name of Respondents

Prudential Securities, Inc. f/k/a
Prudential-Bache Securities, Inc.,
John Buda, William Lasko, and
David Gorobetz

REPRESENTATION OF PARTIES

Claimants were represented by Patric J. LeHouillier, Esq. of LeHouillier & Associates, Colorado Springs, Colorado.

Respondents Prudential Securities, Inc. f/k/a Prudential-Bache Securities, Inc., William Lasko, and David Gorobetz were represented by Edward Samson, Esq. of Prudential Securities, Inc., New York, New York.

Respondent John Buda was represented by Robert J. Hahn, Esq. of Cummings, McClorey, Davis & Acho, P.C., Farmington Hills, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about April 29, 1991. Claimants' Submission Agreement signed on May 16, 1991.

Statement of Answer filed by Respondents, Prudential Securities, Inc. f/k/a Prudential-Bache Securities, Inc., William Lasko, and David Gorobetz on or about July 22, 1991.

Statement of Answer filed by Respondent John Buda on or about July 22, 1991. Respondent John Buda's Submission Agreement signed on August 12, 1991.

HEARING INFORMATION

A pre-hearing conference was held on Tuesday, March 10, 1992 for one (1) session.

The hearing was held on Wednesday, June 17, 1992 for two (2) sessions and Thursday, June 18, 1992 for two (2) sessions in Denver, Colorado for a total of four (4) sessions.

CASE SUMMARY

Claimants alleged that Respondents failed to execute an order to liquidate shares of Prospect Street High Income Fund. Claimants alleged that these shares were purchased upon the recommendation of Respondent John Buda while he was employed at Drexel Burnham Lambert. Claimants alleged that Mr. Buda was negligent, breached the implied covenant of good faith, breached his fiduciary duty, intentionally or recklessly engaged in extreme and outrageous conduct, made false representations of past and present material facts and omitted material facts, violated Rule 10(b)(5) of the Securities Exchange Act of 1934, Sections 12(2) and 17(a)(2) of the Securities Act of 1993. Claimants alleged that William Lasko was negligent in his supervision of Respondent Buda; that Respondent Gorobetz was negligent by failing to investigate and supervise the actions of Respondent Buda; and that Prudential Securities, Inc. was liable for the actions of its employees under the doctrine of respondeat superior.

Respondents Prudential Securities, Inc., William Lasko and David Gorobetz stated that the investment in dispute in this matter was purchased while Mr. Buda was employed by Drexel Burnham Lambert and that they should not be held responsible for the recommendation of this investment or the supervision of Mr. Buda at the time of the investment.

Respondent John Buda denied the allegations set forth in the Statement of Claim. Mr. Buda stated that the investment was suitable for the Claimants.

RELIEF REQUESTED

Claimants requested an award in the amount of \$230,000.00, statutory interest, a return of all commissions paid, unspecified exemplary damages, and reasonable attorney's fees.

Respondents Prudential Securities, Inc., William Lasko and David Gorobetz requested that the claims asserted against them be dismissed.

Respondent John Buda requested that the claims asserted against him be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

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. 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

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

1. Respondent Prudential Securities, Inc. shall be and hereby is liable for and shall pay to the Claimants Thomas and Patricia Shoop the sum of \$27,500.00 (Twenty seven thousand five hundred dollars).
2. Respondent John Buda shall be and hereby is liable for and shall pay to the Claimants Thomas and Patricia Shoop the sum of \$27,500.00 (Twenty seven thousand five hundred dollars).
3. Interest at the rate of 6% per annum is awarded on the sum stated in paragraph 2 (two) above from the date of this award to and inclusive of the date the sum is paid in full.
4. Each party shall bear its own costs, expenses, and attorney's fees incurred in this matter not specifically enumerated herein.

FORUM FEES

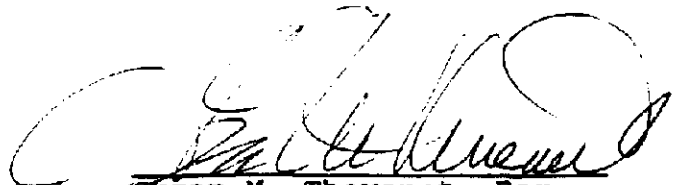
Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the non-refundable filing fee in the amount of \$200.00 and shall retain the hearing session deposit in the amount of \$750.00 previously deposited with the NASD by the Claimant. Claimants shall pay to the NASD the sum of \$350.00 (Three hundred fifty dollars), Respondent Prudential Securities, Inc. shall pay to the NASD the sum of \$1,100.00 (One thousand one hundred dollars), and Respondent John Buda shall pay to the NASD the sum of \$1,100.00 (One thousand one hundred dollars) as forum fees.

Forum fees are calculated at the rate of \$750.00 per hearing session and \$300.00 for each prehearing conference, if any. Fees are payable to the National Association of Securities Dealers, Inc.

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Dated:

7/17/92



Susan M. Thevenet, Esq
Presiding Chair
Public Arbitrator

Fred W. Roecker
Public Arbitrator

William J. Klein
Industry Arbitrator

NASD AWARD SERVED ON: JULY 23, 1992

ADDENDUM

Gorobetz was dismissed during the Pre-hearing Conference held on
March 10, 1992.

Dated:

July 20, 1992

Susan M. Thevenet, Esq
Presiding Chair
Public Arbitrator

Fred W. Roecker
Fred W. Roecker
Public Arbitrator

William J. Klein
Industry Arbitrator

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Dated:

Susan M. Thevenet, Esq
Presiding Chair
Public Arbitrator

Fred W. Roecker
Public Arbitrator

July 17, 1992

William J. Klein
William J. Klein
Industry Arbitrator