

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Barbara R. Caddoo
William L. Caddoo

vs.

91-02890

Name of Respondent(s)

Prudential Securities, Inc.
Anthony Galante
Allen Duncan

REPRESENTATION

For Claimants: Dominic P. Gentile, Esq., Gentile, Porter & Kelasis, Las Vegas, Nevada

For Respondents Prudential Securities, Inc. and Allen Duncan: Michael M. Glass, Esq., Kessal, Young & Logan, Long Beach, California

For Respondent Anthony Galante: William R. Urga, Esq., Jolley, Urga, Wirth & Woodbury, Las Vegas, Nevada

CASE INFORMATION

Statement of Claim filed: September 16, 1991

Claimants' Submission Agreement signed on: June 28, 1991

Joint Statement of Answer filed by Respondents Prudential Securities, Inc. and Allen Duncan: January 10, 1992

Respondents Prudential Securities, Inc.'s and Allen Duncan's Submission Agreements signed as follows:

Prudential Securities, Inc.: November 25, 1991

Allen Duncan: December 12, 1991

Statement of Answer filed by Respondent Anthony Galante: January 13, 1992

Respondent Anthony Galante's Submission Agreement signed on: January 9, 1992.

HEARING INFORMATION

Prehearing Conference(s) Date(s) Sessions: None

Hearing Dates/Sessions: January 25, 1993 (two sessions)
January 26, 1993 (two sessions)

Hearing Location: Las Vegas, Nevada

CASE SUMMARY

Claimants asserted the following claims with respect to various securities transactions in their accounts: 1) violations of Section 10(b) of the Exchange Act, 15 U.S.C. 78j(b), and Rule 10b-5, 17 C.F.R. 240.10b-5; 2) Control Person Liability, Section 20 of the Exchange Act, 15 U.S.C. 78t; 3) Operation of a business enterprise through a pattern of racketeering activity: Violation of Title 18 U.S.C. Section 1962(c); 4) Violations of Section 570 of the Nevada Uniform Securities Act, N.R.S. 90.570; 5) Control Person Liability, Section 660(4) of the Nevada Uniform Securities Act, N.R.S. 90.660(4); 6) Common Law Fraud and Negligent Misrepresentation; 7) Breach of Fiduciary Duty; and 8) Negligence.

Respondents Prudential Securities, Inc. and Allen Duncan denied Claimants' allegations of wrongdoing and asserted affirmative defenses.

Respondent Anthony Galante denied Claimants' allegations of wrongdoing and asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested judgment against Respondents, and each of them, as follows:

A. As and for their First Claim for Relief, Claimants seek judgment against Respondents, and each of them, for:

1. Compensatory damages in the amount of \$120,000.00;
2. For attorneys' fees and costs;
3. For such further relief as the arbitrators may deem proper and just.

B. As and for their Second Claim for Relief, Claimants seek judgment against Prudential Securities, Inc. and Allen Duncan, for:

1. Compensatory damages in the amount of \$120,000.00;
2. For attorneys' fees and costs;
3. For such further relief as the arbitrators may deem proper and just.

C. As and for their Third Claim for Relief, Claimants seek judgment against Anthony Galante and Allen Duncan, for:

1. Treble damages in the amount of \$360,000.00;
2. For attorneys' fees and costs;
3. For such further relief as the arbitrators may deem proper and just.

D. As and for their Fourth Claim for Relief, Claimants seek judgment against Respondents, and each of them, for:

1. Compensatory damages in the amount of \$120,000.00;
2. For attorneys' fees and costs;
3. For such further relief as the arbitrators may deem proper and just.

E. As and for their Fifth Claim for Relief, Claimants seek judgment against Prudential Securities, Inc. and Allen Duncan, for:

1. Compensatory damages in the amount of \$120,000.00;
2. For attorneys' fees and costs;
3. For such further relief as the arbitrators may deem proper and just.

F. As and for their Sixth Claim for Relief, Claimants seek judgment against Respondents, and each of them, for:

1. Punitive damages in the amount of \$360,000.00;
2. Compensatory damages in the amount of \$120,000.00;
3. For attorneys' fees and costs;
4. For such further relief as the arbitrators may deem proper and just.

G. As and for their Seventh Claim for Relief, Claimants seek judgment against Respondents, and each of them, for:

1. Compensatory damages in the amount of \$180,000.00;
2. Punitive damages in the amount of \$540,000.00;
3. For attorneys' fees and costs;
4. For such further relief as the arbitrators may deem proper and just.

H. As and for their Eighth Claim for Relief, Claimants seek judgment against Respondents, and each of them, for:

1. Compensatory damages in the amount of \$120,000.00;
2. For attorneys' fees and costs;
3. For such further relief as the arbitrators may deem proper and just.

Respondents Prudential Securities, Inc. and Allen Duncan requested that Claimants take nothing by their Claim, for their costs, and for such other and further relief as may be proper.

Respondent Anthony Galante requested that Claimants take nothing by their Claim, and that Mr. Galante be awarded reasonable attorney's fees and costs, and such other and further relief as may be just and proper.

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 originals remain on file with the National Association of Securities Dealers, Inc. (NASD).

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 by Claimants, including the claims for punitive damages, are dismissed.
2. The parties shall each bear their respective costs including attorney's fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain the \$1,000.00 hearing session deposit previously deposited by the Claimants. Forum fees are to be split between the parties and are calculated as follows:

Four hearing sessions	@ \$1,000.00/session	= \$4,000.00
Total fees assessed		= \$4,000.00
Claimants' share (50%)		= \$2,000.00
Credit for hearing deposit		= \$1,000.00
Balance due		= \$1,000.00
Respondents' share, jointly and severally (50%)		= \$2,000.00
Balance due		= \$2,000.00

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

ARBITRATION PANEL

Name

Public/Industry

Steven K. Lum, Esq.

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signature


Steven K. Lum, Esq.

Date of Decision: 2/16/93