

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Name of Claimants

Brooks Holladay, Attorney-in-Fact
for Donald Holladay, TTE
Donald Holladay TTE

No. 92-03174

Name of Respondents

Prudential Securities, Incorporated
Steve Wilhite
Peter Lynch

REPRESENTATION OF PARTIES

For Claimants: Don Maddox, Esq. and Paul Pusateri, Esq. of the
Maddox Law Firm, Hobbs, New Mexico.

For Respondents: Gabriel Loubier, Esq., Prudential Securities,
Incorporated, New York, New York.

CASE INFORMATION

Statement of Claim, attachments and exhibits filed on or about:
September 18, 1992.

Claimants' Submission Agreement signed: September 9, 1992, and
October 6, 1992.

Joint Statement of Answer filed by the Respondents on: February 2,
1993.

The NASD does not have a record of Respondents having filed
Submission Agreements.

Claimants' letter to vacate hearing filed: May 10, 1993.

Respondents' response filed: May 11, 1993.

Claimants' Amended letter to vacate hearing filed: May 11, 1993.

Respondents' response filed: May 18, 1993.

HEARING INFORMATION

Hearing date: May 20, 1993. Two (2) sessions.

Hearing Location: Albuquerque, New Mexico.

CASE SUMMARY

Claimants, Brooks Holladay, individually, and as Attorney-in-fact for Donald R. Holladay, Trustee, and Donald R. Holladay Trustee for Holladay Trust "A" and also as Trustee for Holladay Trust "B" ("Claimants") alleged: Negligent supervision; negligent and careless performance by broker; fraud; violation of Section 56-13B-40(F) NMSA; and violations of the Securities Act of 1934 and Rule 10b-5 by Respondents, Prudential Securities, Incorporated, Steve Wilhite, and Peter Lynch ("Respondents"). The allegations arose out of a transaction involving Nuveen Tax-Exempt Unit Trust Series #211.

For their joint Answer, Respondents denied each and every material allegation contained in the Statement of Claim. Respondent Peter Lynch alleged that there had been no basis for personal liability. In addition, Respondents asserted an affirmative defense that applicable statute of limitations time-barred Claimants' sixth claim.

RELIEF REQUESTED

Claimants requested an award of damages and costs in the amount of \$37,914.70 jointly and severally against the Respondents.

Respondent requested that the arbitrators deny Claimants' claim in its entirety. Respondents further requested that the arbitrators order Claimants to reimburse Respondents all costs and attorneys' fees incurred in defending the claim.

OTHER ISSUES CONSIDERED & DECIDED

Respondents did not file with the NASD properly executed submissions to arbitration but are required to submit to arbitration pursuant to Section 12 of the Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing, and therefore are bound by the determination of the panel on all issues submitted.

At the beginning of the hearing on May 20, 1993, Arbitrator Douglas Barr made a disclosure that he recognized Respondent Lynch. Further, the Chairman, Mr. Bingham, also disclosed that he had seen Respondent Lynch in a prior arbitration. After discussion amongst themselves, the parties, on the record, approved of the panel as had previously been disclosed to them.

The parties have agreed that the Award in this matter may be executed by 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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims against respondent Peter Lynch were withdrawn, and are therefore dismissed with prejudice.

2. Claimants' claims against respondents Prudential Securities, Incorporated and Steve Wilhite are hereby denied and dismissed with prejudice.

3. Claimant, Brooks Holladay and respondent Prudential Securities, Incorporated are to pay the NASD forum/arbitration fees, with each to pay one-half of such fees.

OTHER COSTS

The respective parties are to bear their own costs and attorneys' fees, and the claims for such fees and costs are denied with prejudice.

FORUM FEES

Pursuant to Section 43(c) of the Code, the following forum fees are assessed:

2 hearing sessions x \$400.00 = \$800.00

Pursuant to Section 43(c) of the Code, the NASD shall retain the nonrefundable filing fee in the amount of \$100.00, and shall retain the hearing session deposit in the amount of \$400.00 previously paid to the NASD by the Claimant.

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Additional forum fees in the amount of \$400.00 are assessed against Respondent Prudential Securities, Incorporated.

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

CONCURRING ARBITRATORS

Dated:

Name:

June 2, 1993

/s/George F. Bingham
George F. Bingham
Presiding Chair
Public Arbitrator

June 4, 1993

/s/Douglas A. Barr
Douglas A. Barr
Public Arbitrator

June 2, 1993

/s/Bernard E. Brummell
Bernard E. Brummell
Industry Arbitrator

Date of Service by the NASD: 6-8-93