

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
In the matter of the Arbitration Between

Name of Claimant(s)

Bruce W. Stilson, As Trustee
Of The Elise D. Marshall
Trust A, And As Trustee Of
The Elise D. Marshall Trust B,
And Robert D. Marshall, Jr.

vs.

NASD Arbitration
#93-00067

Name of Respondent(s)

Prudential Securities, Inc.
David Dunn

REPRESENTATION

For Claimants: Thomas J. LoSavio, Esq.,
Low, Ball & Lynch, San Francisco, California

For Respondents: Michael J. Lawson, Esq. and Daryl S. Landy, Esq.,
Steeffel, Levitt & Weiss, San Francisco, California

CASE INFORMATION

Statement of Claim filed: January 6, 1993

Claimants' Submission Agreements signed: Bruce Stilson: January 22, 1993
Robert Marshall: January 22, 1993

Joint Statement of Answer filed: July 14, 1993

Respondents' Submission Agreements signed: Prudential Securities: June 1, 1993
David Dunn: May 27, 1993

HEARING INFORMATION

Hearing Dates / Sessions: March 7, 1994 - 2 sessions
 March 8, 1994 - 2 sessions
 March 10, 1994 - 2 sessions
 March 11, 1994 - 2 sessions

Hearing Location: San Francisco, California

CASE SUMMARY

Claimants alleged breach of fiduciary duty with respect to Respondents' actions involving Claimants' on-going options trading program in which out-of-the-money puts and calls were written against Claimants' positions in Weyerhaeuser common stock, but with care taken to assure that only market stock, not low tax basis stock, was sold from Claimants' account. Claimants alleged that when Mr. Dunn went on vacation in January 1991, no steps were taken to monitor the account to prevent low-basis shares from being called away, nor were Claimants advised of events until large losses had been incurred.

Respondents denied the allegations of wrongdoing, and asserted that Claimant Stilson, as Trustee, was the decision-maker in all options transactions in the investment hedge plan, and that Stilson had changed a previous low-risk trading strategy into a higher-risk strategy in order to generate more income for the account to offset a decline in income.

RELIEF REQUESTED

Claimants requested compensatory damages, as amended at hearing, of \$1,082,372.79 plus interest from January 28, 1991 to the present.

Respondents requested dismissal of all claims, and an award of costs of arbitration.

OTHER ISSUES CONSIDERED AND 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 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 asserted are dismissed in their entirety.
2. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the \$250 non-refundable filing fee paid by Claimant. Forum fees are assessed as follows:

Total forum fees:

8 Sessions @ \$1000 /session	\$8,000
Claimants' one-half share	4,000
Credit for hearing session deposit	<u>1,000</u>
Balance Due	\$3,000

Respondents' one-half share	\$4,000

Fees are payable to the NASD, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Joanna Leighton	Public
Robert B. Lashly	Public
Lillian L. Conrad	Industry

Concurring Arbitrators' Signatures

Joanna Leighton

Robert B. Lashly

Lillian L. Conrad
Lillian L. Conrad

Date of Decision: 3/11/94