

N.A.S.D. AWARD**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

Name of Claimant(s)

Prudential Securities Incorporated

NASD Arbitration
No. 93-01219

Name of Respondent(s)

Cameron Conant and M.G. Palencia, JTWROS

REPRESENTATION

For Claimant: Joseph M. McGill, Esq. and Martin Hunger, Esq.,
Prudential Securities Incorporated, New York, New York

For Respondent: James F. Robinson, Esq., San Diego, California

CASE INFORMATION

Statement of Claim filed: March 26, 1993
Claimant's Reply to Counterclaim filed: May 27, 1993
Claimant's Submission Agreement signed: March 25, 1993

Statement of Answer and Counterclaim filed by Respondents: May 11,
1993
Respondents' Submission Agreements signed: May 7, 1993

HEARING INFORMATION

Pre-Hearing Conference Date/Session:
September 30, 1993 (one session)

Hearing Date/Sessions: October 7, 1993 (two sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Prudential Securities Incorporated (PSI) alleged that a debit balance exists with respect to Respondents' commodities account.

In Respondents' Answer and Counterclaim, Cameron Conant, individually and as co-trustee for M.G. Palencia's estate, denied

any liability to PSI and alleged that PSI and its agent did not properly fulfill their obligations under Article III, Section 2 and related provisions of the National Association of Securities Dealers, Inc. (NASD) Rules of Fair Practice to determine whether Respondent Conant understood the risks involved or whether investments such as commodities futures were suitable investments for Respondents. Respondents further alleged that on or about January 1992, PSI's agent increased Respondents' margin limits without their knowledge or consent, thereby permitting further losses to be incurred to the point that Respondents' financial resources were almost entirely depleted.

PSI denied each and every allegation in the Counterclaim and alleged that it advised Respondent Conant of the risks associated with his investments.

RELIEF REQUESTED

PSI requested:

1. \$7,702.14, representing the debit in the account;
2. Costs, fees, attorney fees, travel fees and interest at the maximum amount allowed by law from the date of the debit; and
3. Dismissal of all counterclaims against PSI.

Respondents requested:

1. Dismissal of PSI's claims;
2. The sum of \$92,949.00, being the amount of lost capital, plus interest thereon at the highest legal rate of 10 percent per annum computed from the date such losses were incurred, as determined according to proof;
3. The sum of \$10,000.00 as attorneys fees; and
4. The sum of \$650.00 as reimbursement for Respondents' filing fee and hearing deposit;

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 by PSI are dismissed.
2. All Counterclaims by Respondents are dismissed.
3. 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 following forum fees are assessed: The NASD shall retain the \$75.00 hearing session deposit previously deposited by PSI and retain the \$500.00 hearing session deposit previously deposited by Respondents. Forum fees are to be split between the parties and are calculated as follows:

One pre-hearing session @ \$300.00/session	=	\$ 300.00
Two hearing sessions @ \$500.00/session	=	\$1,000.00
Total fees assessed	=	\$1,300.00
 PSI's share (50%)	=	\$ 650.00
Credit for hearing deposit	=	\$ 75.00
Balance due	=	\$ 575.00
 Respondents' share (50%)	=	\$ 650.00
Credit for hearing deposit	=	\$ 500.00
Balance due	=	\$ 150.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Evelyn Ann Kramer, Esq.	Public Arbitrator
Bert Levy	Public Arbitrator
John H. Norberg, III	Industry Arbitrator

Concurring Arbitrators' Signatures


Evelyn Ann Kramer, Esq.

Bert Levy

John H. Norberg, III

Date of Decision: _____