

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Kenneth E. Rawald
Marie Rawald

NASD Arbitration
No. 93-03155

Name of Respondents

Prudential Securities, Inc.
William Young

REPRESENTATION

For Claimants: Jeff Dennis Ferentz, Esq., Greenbaum & Ferentz,
Newport Beach, California

For Respondents: Joel Levinson, Esq., Prudential Securities, Inc.,
New York, New York

CASE INFORMATION

Statement of Claim filed: August 12, 1993

Claimants' Submission Agreement signed: July 17, 1993

Joint Statement of Answer filed by Respondents: November 10, 1993

Respondents' Submission Agreement signed: November 10, 1993

HEARING INFORMATION

Hearing Dates / Sessions: June 6, 1995

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondent, William Young, while employed by Respondent, Prudential Securities, Inc., recommended and executed transactions for the Claimants in unsuitable investments when Young knew or should have known that said transactions were, in fact, unsuitable in light of the Claimants' investment objective of preservation of capital. Claimants also alleged failure to supervise on the part of Respondent, Prudential Securities, Inc., breach of fiduciary duty, fraud, churning, negligence and violation of rules of various exchanges to which they belong.

Respondents alleged that the Claimants are experienced, intelligent investors who were fully capable of understanding the recommendations made by the Respondent, Young, and that the Claimants, at no time, relinquished control of their account. Respondents also alleged that the Claimants ratified the transactions and none of the transactions were unauthorized.

RELIEF REQUESTED

Claimants seek to recover \$132,962.00 in compensatory damages, \$64,651.00 in lost interest, \$300,000.00 in punitive damages, costs and fees, including attorneys' fees.

Respondents seek dismissal of the claim in its entirety.

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 original remains 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. Respondent, Prudential Securities, Inc., is solely liable and shall pay to Claimants, Kenneth E. and Marie Rawald, the sum of Forty Six Thousand Dollars and No Cents (\$46,000.00).
2. Respondent, William Young, is solely liable and shall pay to Claimants, Kenneth E. and Marie Rawald, the sum of Twenty Three Thousand Dollars and No Cents (\$23,000.00).
3. Claimants' claim for punitive damages is denied.
4. Respondents shall reimburse Claimants for filing fees in the amount of \$200.00.
5. The parties shall each bear their own costs of suit, including attorneys fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, forum fees are assessed as follows:

Two hearing sessions @ \$750/session	-	\$1,500.00
Respondent Prudential Securities, Inc. is solely assessed	-	\$1,500.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Robert S. Clarke	Public Arbitrator
Chet Olsen	Public Arbitrator
Luther Delano Prater	Industry Arbitrator

Concurring Arbitrators' Signatures

Robert S. Clarke

Luther Delano Prater

Luther Delano Prater

Chet Olsen

Date Served: 6-29-95