

**NATIONAL ASSOCIATION OF SECURITIES DEALERS
AWARD**

In the matter of the Arbitration Between

Cecil B. Gibson
Gibson Direction Drilling, Inc.
Claimants

NASD Arbitration
No. 93-03185

v.

Prudential Securities, Inc.
Respondent

REPRESENTATION

For Claimants: Dennis G. Merenbach, Esq., Santa Barbara, California

For Respondent: E. Scott Douglas, Esq., Keesal, Young & Logan, Long Beach, California

CASE INFORMATION

Amended Statement of Claim filed: August 13, 1993

Claimants' Submission Agreements signed: August 30, 1993

Second Amended Statement of Claim filed: June 3, 1994

Statement of Answer filed: August 2, 1994

Respondent's Submission Agreements signed: August 16, 1994

HEARING INFORMATION

A pre-hearing telephone conference lasting 1 session was held on August 30, 1994.

The evidentiary hearing was held in Los Angeles, California as follows:

May 16, 1995 - 2 sessions

May 17, 1995 - 1 session

CASE SUMMARY

Claimants alleged churning, misrepresentation, fraud, breach of fiduciary duty, negligence, failure to supervise, and breach of contract with respect to limited partnership and other investments made in Claimant's individual account and in the corporate profit-sharing account.

Respondent denied the allegations of the claim, and asserted that Claimant approved the investments after receiving prospectuses and appropriate risk disclosures.

RELIEF REQUESTED

Claimants requested damages, as amended at hearing, of approximately \$50,000 plus interest, punitive damages and costs of arbitration.

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

OTHER ISSUES CONSIDERED AND DECIDED

The panel heard Respondent's motion to dismiss and Claimants' opposition via telephone pre-hearing conference on August 30, 1994. That motion was denied.

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 by Claimant individually are dismissed in their entirety.
2. Respondent is liable for and shall pay to Claimant Gibson Direction Drilling, Inc., the sum of \$12,500 in satisfaction of all claims.
3. The claim for punitive damages is dismissed.
4. 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 Claimants.

Forum fees are assessed as follows:

Total fees:

One pre-hearing telephone conference @ \$300/session =	\$ 300
Three hearing sessions @ \$600/session =	<u>\$ 1,800</u>
	\$ 2,100
 Claimants' one-half share =	\$ 1,050
Credit for deposit =	<u>\$ 600</u>
Balance =	<u>\$ 450</u>
 Respondent's one-half share =	<u>\$ 1,050</u>

Fees are payable to the NASD, Inc.

ARBITRATORS

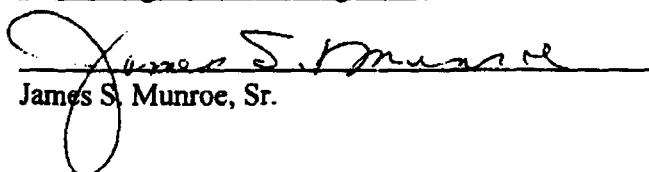
Name

James S. Munroe, Sr.
Leo B. Babich
Thomas A. Mackey

Public / Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures


James S. Munroe, Sr.

Leo B. Babich

Thomas A. Mackey

Served 5/31/95

Date of Decision: 5-17-95

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Served 5/31/95

Date of Decision: 5-26-95