

N.A.S.D. AWARD

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NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

AUG 16 1996

In the matter of the Arbitration Between

NASD-ARBITRATION MEDIATION

Name of Claimant

Lucy B. Doheny

v.

**NASD Arbitration
No. 93-04293**

Name of Respondents

Prudential Securities Inc., Edward E. Tullis, Jr. and Bruce Montgomery

REPRESENTATION

For Claimant:

**J. Leo Federman
Investors Rights Association
Santa Barbara, California
and
Dennis G. Merenbach, Esq.
Santa Barbara, California**

For Respondents:

**William M. Cassarini, Esq.
Prudential Securities, Inc.
and Bruce Montgomery**

CASE INFORMATION

Statement of Claim filed:	October 18, 1993
Amended Statement of Claim filed:	May 20, 1993
Claimant's Submission Agreement signed:	October 7, 1993
Joint Statement of Answer filed by Respondents:	January 19, 1994
Statement of Answer to Amended Statement of Claim filed by Respondent Tullis:	October 7, 1994
Respondent Prudential Securities Inc.'s Submission Agreement signed:	January 19, 1994

HEARING INFORMATION

Pre-Hearing Conference Date / Session: July 22, 1996 (1 session)

Hearing Dates / Sessions: August 6, 1996 (2 sessions)
August 7, 1996 (2 sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents engaged in misrepresentation, sold Claimant unsuitable investments, engaged in churning, violated New York Stock Exchange Rules 401 and 405 and NASD Rules of Fair Practice Article III, Section 2, breached the fiduciary duty owed to Claimant, engaged in negligent misrepresentation and common law fraud, and breached the implied covenant of good faith and fair dealing.

Claimant also alleged that Respondent Prudential failed to properly supervise its brokers.

Respondents denied the allegations of wrongdoing found in the Claimant's Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant sought an award of compensatory damages and post-award interest from the date of the original investments. Claimant also requested reimbursement of costs of arbitration including attorney fees, consulting fees, and expert witness fees. Claimant also sought punitive and exemplary damages.

During the hearing on the merits, Claimant sought rescission of all of the purchases made by Claimant in her Prudential account and compensatory damages.

Respondents requested that the Statement of Claim be dismissed in its entirety and that judgment be rendered in favor of Respondents.

OTHER ISSUES CONSIDERED AND DECIDED

At the conclusion of Claimant's case-in-chief, Respondent Tullis made a Motion to Dismiss. The Arbitration Panel, after consideration of the arguments of the parties, granted the Motion to Dismiss Respondent Tullis.

At the conclusion of Claimant's case-in-chief, Respondents Prudential and Montgomery made a Motion to Dismiss. The Arbitration Panel, after consideration of the arguments of the parties, denied Respondents Prudential and Montgomery's Motion to Dismiss.

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 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. All of the Claimant's claims, including the claims for punitive and exemplary damages, are denied 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 following forum fees are assessed:

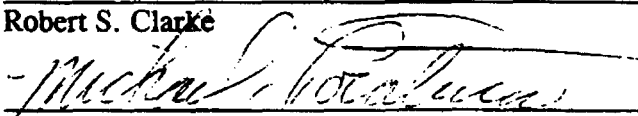
One Pre-Hearing Conference @ \$300.00/session	=	\$ 300.00
Four Hearing Sessions @ \$600.00/sessions	=	\$2,400.00
Total Forum Fees Assessed	=	\$2,700.00
Claimant's one-half share	=	\$1,350.00
Credit for Hearing Session Deposit	=	\$ 600.00
Claimants Balance Due	=	\$ 750.00
Respondents' one-half share	=	\$1,350.00

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Robert S. Clarke	Public Arbitrator
Michael C. Pocaterra	Industry Arbitrator
Robert L. Schouweiller	Public Arbitrator

Concurring Arbitrators' Signatures

<u>Robert S. Clarke</u>

<u>Michael C. Pocaterra</u>

Robert L. Schouweiller

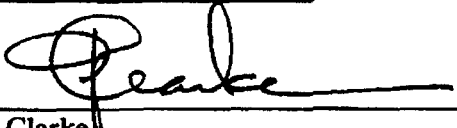
Date of Decision: _____

Date of Service: _____

ARBITRATORS

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Michael C. Pocaterra	Industry Arbitrator
Robert L. Schouweiller	Public Arbitrator

Concurring Arbitrators' Signatures



Robert S. Clarke

Michael C. Pocaterra

Robert L. Schouweiller

Date of Decision: _____

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Concurring Arbitrators' Signatures

Robert S. Clarke

Michael C. Pocaterra


Robert L. Schouweiller

8/14/96

Date of Decision: _____

Date of Service: 08/19/96