

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Robert E. Mines, M.D., and
William Jenkins, M.D.
Individually and as Trustees
For The North Oakland
Pediatric Medical Group, Inc.. Pension Plan

NASD Arbitration
#93-04762

vs.

Name of Respondents

Prudential Securities, Inc.
Hugh Lenahan

REPRESENTATION

For Claimants: Janet Brayer, Esq., Vogl & Meredith, San Francisco, California

For Respondents: Jeffrey K. Compton, Esq., Steefel Levitt & Weiss, San Francisco, California

CASE INFORMATION

Statement of Claim filed: November 15, 1993

Claimants' Submission Agreements signed:

As Individuals: October 26, 1993

As Trustees: January 25, 1994

Joint Statement of Answer filed: April 7, 1994

Respondents' Submission Agreements signed: none submitted

HEARING INFORMATION

A pre-hearing telephone conference lasting one session was held on January 26, 1995.

The evidentiary hearing was held in San Francisco, California, as follows:

February 2, 1995	-	2 sessions
February 3, 1995	-	2 sessions
August 21, 1995	-	2 sessions

CASE SUMMARY

Claimant alleged Respondents misrepresented the nature of the zero coupon bonds they recommended Claimants purchase, that the bonds were not short-term (5 year bonds) as Claimants understood, but were 15 year bonds, that Respondents did not explain the market risk associated with the bond investment, that the bonds were unsuitable for Claimants' financial circumstances, that the sales charges were not disclosed prior to investment, and that Respondents failed and refused to provide an accounting regarding commissions despite repeated written requests.

Respondents denied the allegations of wrongdoing, and asserted that no excessive fees were charged. Respondents also asserted that Claimants specifically discharged sales fees prior to purchase. Respondents stated that Claimants' imprudent decision to sell the bonds shortly after purchase when the price of the bonds had declined was the cause of the loss, not any action taken by Respondents.

RELIEF REQUESTED

Claimant requested damages of \$38,095 plus punitive damages and costs of arbitration.

Respondents requested dismissal of all claims..

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter maybe executed in counterpart copies or that a handwritten, signed Award maybe 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 claims, including the claim for punitive damages asserted by Claimants are dismissed in their entirety.
2. The parties shall each bear their respective costs, including attorneys fees.

FORUM FEE

Pursuant to Section 43 (c) of the Code of Arbitration Procedure, the NASD shall retain the \$120 non-refundable filing fee and the \$400 hearing session deposit paid by Claimant shall be retained as an assessment of forum fees for 1 session.

The assessment for the remaining 5 sessions is to be paid by Prudential Securities:

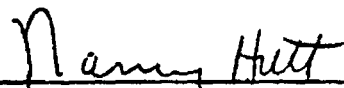
5 sessions @ \$400/sessions \$2000

This fee is payable to the NASD, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Nancy Hutt	Public
Bertram H. Shaughnessy	Public
Thomas W. Borden	Industry

Concurring Arbitrators Signatures



Nancy Hutt

Bertram H. Shaughnessy

Thomas W. Borden

Date of Decision: 10/10/95
Date Served: 10/17/95

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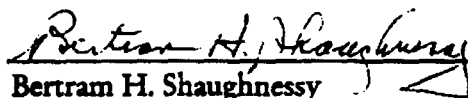
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