

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Prudential Securities, Inc.

v.

Arbitration No.
95-03027

Name of Respondent

William J. Gordica

REPRESENTATION

For Claimant:

Terry Ross, Esq. and
Linda A. Loftus, Esq.
Keesal, Young & Logan
Long Beach, California

For Respondent:

H. Thomas Fehn, Esq. and
Gregory J. Sherwin, Esq.
Fields, Fehn & Sherwin
Los Angeles, California

CASE INFORMATION

Statement of Claim filed:	June 20, 1995
Claimant's Submission Agreement signed:	June 5, 1995
Statement of Answer and Counterclaim filed by Respondent:	January 8, 1996
Statement of Answer to Counterclaim of Prudential Securities, Inc. filed:	January 29, 1996

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions: January 5, 1996 (1 session)
 July 30, 1996 (1 session)
 September 19, 1996 (1 session)
 September 24, 1996 (1 session)
 December 5, 1996 (1 session)
 May 30, 1997 (1 session)
 June 4, 1997 (1 session)

Hearing Dates / Sessions: June 9, 1997 (2 sessions)
 June 10, 1997 (2 sessions)
 June 11, 1997 (1 session)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondent failed to meet margin obligations in an account consisting of CVD bonds and Beta Well Service, Inc. stock shares. Claimant further alleged that, as a result of the delisting of Beta Well Service, Inc. by the American Stock Exchange, the equity in Respondent's account fell below minimum margin levels set by Claimant and the New York Stock Exchange. Claimant further alleged that because Respondent did not meet margin requirements, the Respondent's account was liquidated, creating an unsecured debit in his account.

Respondent denied the Claimant's allegation that any amount is due and owing to Prudential. Respondent filed a counterclaim against Prudential which alleged that Prudential engaged in a fraudulent scheme to manipulate the price of securities in which Prudential either made a market or had a proprietary interest, illegally parked securities in a nominee account an violation of the record-keeping provisions of the Exchange Act, assisted favored customers to avoid financial losses in their account, and violated the margin requirements of Section 7 of the Exchange Act.

Claimant and Cross-Respondent Prudential generally and specifically denied the allegations of wrongdoing found in the Cross-Claimant Gordica's Counterclaim.

RELIEF REQUESTED

Claimant Prudential requested damages consisting of \$289,114.71, interest on that sum from June 7, 1995 to the date of final payment at the federal short-term rate, reasonable attorney's fees, and costs of suit.

Respondent Gordica requested that all of the Claimant's claims be dismissed. Cross-Claimant

Gordica requested compensatory damages measured by the current value of the shares of Beta Well Service, Inc. stock that were liquidated by Prudential, general damages, costs, and reasonable attorney's fees.

Cross-Respondent Prudential requested that Cross-Claimant Gordica take nothing by his Counterclaim, that his Counterclaim be dismissed in its entirety, and for costs of suit, including arbitrators' fees and expenses.

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 original remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

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 Gordica is liable to and shall pay Claimant the sum of \$286,314.71.
2. Claimant's requests for interest and attorney's fees are denied in their entirety.
4. Respondent Gordica's Counterclaim, including the claim for attorney's fees, is denied in its entirety.

FORUM FEES

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

Two (2) Three-Member Pre-Hearing Conference Sessions @ \$750.00/session	= \$1,500.00
Five (5) One-Member Pre-Hearing Conference Sessions @ \$300.00/session	= \$1,500.00
Five (5) Hearing Sessions @ \$750.00/session	= \$3,750.00
<u>Total Fees Assessed</u>	<u>= \$6,750.00</u>

Claimant's One-Half Share	= \$3,375.00
<u>Claimant's Credit for Hearing Session Deposit</u>	<u>= \$750.00</u>
Claimant's Balance Due	= \$2,625.00

Respondent's One-Half Share	= \$3,375.00
<u>Respondent's Credit for Hearing Session Deposit</u>	<u>= \$600.00</u>
Respondent's Balance Due	\$2,775.00

Fees are payable to NASD Regulation, Inc.

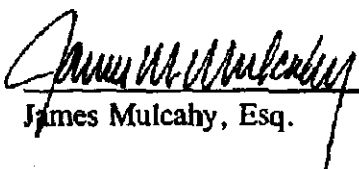
ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Milton Bennett	Industry Arbitrator
James Mulcahy, Esq.	Public Arbitrator
Craig Sheldon, Esq.	Public Arbitrator


Concurring Arbitrators' Signatures



Milton Bennett



James Mulcahy, Esq.



Craig Sheldon, Esq.

Date of Service: June 12, 1997