

2/92 7802007

NASD REGULATION, INC. AWARD

In the Matter of the Arbitration Between

Name of Claimant

Wolf Weber

95-03222

Name of Respondents

Prudential Securities, Inc.
Prudential-Bache Securities (Germany), Inc.
Jochen Langhammer
Dieter Lindenberg
Ian G. Hassett
Alan D. Hogan
Leland B. Paton

REPRESENTATION

For Claimant Wolf Weber ("Claimant") appeared Curt Muller, Esq. of the firm Anwaltskanzlei Michael-Christian Rossner & Kollegen, located in Munich, Germany.

For Respondents Prudential Securities, Inc. ("Prudential"), Prudential-Bache Securities (Germany), Inc. ("Prudential-Bache"), John Langhammer ("Langhammer"), Dieter Lindenberg ("Lindenberg"), Ian G. Hassett ("Hassett"), Alan D. Hogan ("Hogan") and Leland B. Paton ("Paton") (collectively referred to as "Respondents") appeared Michael A. Stern, Esq. of the firm Kirkpatrick & Lockhart LLP, located in New York, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on June 25, 1995. Claimant's Submission Agreement was signed on March 31, 1995. Claimant submitted a Reply to the Statement of Answer on April 25, 1996.

Respondents filed a Joint Statement of Answer on December 7, 1995. Prudential's Submission Agreement was signed on January 2, 1996. Prudential-Bache's Submission Agreement was signed on February 22, 1996. Langhammer's Submission Agreement was signed on December 5, 1995. Lindenberg's Submission Agreement was signed on December 4, 1995. Hassett's Submission Agreement was signed on January 12, 1996. Hogan's Submission Agreement was signed on March 27, 1996. Paton did not submit a properly executed Submission Agreement.

HEARING INFORMATION

Pre-hearing Conference:	June 25, 1996	-	One Arbitrator
Hearing Dates/Sessions:	December 10, 1996	-	One Session
	December 11, 1996	-	Three Sessions
	April 8, 1997	-	One Session
	September 24, 1997	-	Two Sessions
	September 25, 1997	-	Two Sessions

The pre-hearing conference was conducted telephonically. The hearing was held at the offices of NASD Regulation, Inc., located in New York, New York. The hearing session held on April 8, 1997 was conducted telephonically.

CASE SUMMARY

Claimant alleged that Langhammer, an associated person of Prudential and Prudential-Bache, wilfully and purposely made false entries on his Account Records in order to justify placing him in an unsuitable investment to generate commissions. Claimant further alleged that Lindenberg is liable for the false entries, since he signed the Account Records as prepared by Langhammer.

Claimant alleged that Langhammer advised him that he could meet his investment objective by investing in a discretionary or managed futures account offered by Colorado Commodities Management Corporation ("CCM"). Claimant also alleged that Langhammer informed him that the return on an investment in the CCM program had been 35% and that he could expect a return of between 15% and 18%. Claimant asserted that Respondents provided him with a Disclosure Document for trading programs of CCM in the English language, although Respondents should have known he was a German national. Claimant also asserted that this document, was one of the most material facts requiring his understanding, and, therefore, Respondents failed to give him a required Disclosure Document and material facts necessary to enable him to make a properly based investment decision.

Claimant alleged that Langhammer, by making false entries on his records and by making material misstatements of fact, deceive him, in contravention of applicable provisions of Federal law, regulations and rules, and such acts constituted common law fraud. Claimant also alleged that Lindenberg, Prudential, Prudential-Bache, Hassett, Hogan and Paton were control persons over Langhammer and were liable, under the applicable provisions of Federal law, regulations and rules and the common law principle of respondeat superior, jointly and severally for the actions of their employee, agent, controlled and/or associated person, Langhammer.

Respondents denied that any of them engaged in any misrepresentation of material fact relating to Claimant's investments in CCM or that any of them recommended unsuitable investments to Claimant in light of his investment objectives, understanding the risks of investments, education and financial background. Respondents maintained that none of them violated any applicable laws, rules, regulations or standards of conduct including, as alleged, common law fraud, gross negligence, or fiduciary duties. Paton, Hogan and Hassett also maintained that the simple

assertion that they were controlling persons offers no basis for personal liability for the alleged corporate acts.

RELIEF REQUESTED

Claimant requested: (1) actual damages of \$43,000; (2) punitive damages in an amount to be determined by the arbitrators; (3) interest on that amount from September, 1993; (4) his costs in pursuing this arbitration; and (5) reasonable attorneys' fees incurred by him in the United States and Germany related to this arbitration.

Respondents requested that the entire Statement of Claim be dismissed with prejudice. Respondents Paton, Hogan and Hassett requested to be immediately dismissed from the action.

OTHER ISSUES CONSIDERED & DECIDED

At the hearing conducted on September 24, 1997, Claimant withdrew all claims against Respondents Hassett, Hogan and Paton.

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. Prudential, Prudential-Bache and Langhammer are hereby jointly and severally liable and shall pay Claimant the sum of \$6,250.00.
2. All claims against Lindenberg are hereby dismissed in their entirety.
3. Claimant's request for interest is hereby denied.
4. Claimant's request for attorneys' fees is hereby denied.
5. Each party shall bear their respective costs.
6. All other requests for relief are hereby denied.

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FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. will retain the \$120.00 non-refundable filing fee paid by Claimant and the \$400.00 postponement fee paid by Prudential and have assessed the following forum fees:

1 pre-hearing conference	= \$ 300.00
9 hearing sessions x \$400.00	= \$3,600.00
Total forum fees	= \$3,900.00

1. Prudential and Prudential-Bache are hereby jointly and severally liable for the sum of \$3,900.00, representing the total forum fees assessed. Claimant previously deposited \$400.00 with NASD Regulation, Inc., and, therefore, Prudential and Prudential-Bache shall pay the balance of \$3,500.00 to NASD Regulation, Inc., and shall pay Claimant \$400.00 as provided in the "Award" section above.
2. Claimant is hereby liable and shall pay the sum of \$400.00, representing a postponement fee.
3. Prudential is hereby liable and shall pay the sum of \$200.00, representing the member surcharge.

Fees are payable to NASD Regulation, Inc.

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Arbitrators' Signatures

Robert D. Herschman

Robert D. Herschman, Esq.
Chairman-Public Arbitrator

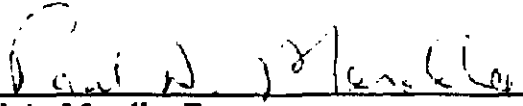
Date of decision: February 9, 1998

I, **Robert D. Herschman, Esq.**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Robert D. Herschman

Robert D. Herschman, Esq.

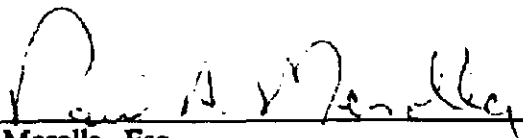
Arbitrators' Signatures



Paul A. Merolla, Esq.
Industry Arbitrator

Date of decision: February 9, 1998

I, Paul A. Merolla, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Paul A. Merolla, Esq.

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Arbitrators' Signatures

Jean C. Fox
Jean C. Fox
Public Arbitrator

Date of decision: February 9, 1998

I, Jean C. Fox, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Jean C. Fox
Jean C. Fox