

STIPULATED AWARD

NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Futures & Options Trading, Inc.

95-03693

Names of Respondents

Prudential Securities, Inc.
Gary Sheperd

REPRESENTATION

For Claimant: Kenneth S. Sandler, Esq. of Kenneth S. Sandler, P.A., Hollywood, Florida.

For Respondents Prudential Securities, Inc. ("Prudential") and Gary Sheperd ("Sheperd"): Craig D. Stein, Esq. of Stein, Rosenberg & Winikoff, P.A., Ft. Lauderdale, Florida.

CASE INFORMATION

Statement of Claim filed: July 27, 1995.

Claimant's Submission Agreement signed on: August 24, 1995 by Ron Engel on behalf of the firm.

Joint Statement of Answer filed by Respondents Prudential and Sheperd on: October 30, 1995.

Respondents Prudential and Sheperd did not file with NASD Regulation, Inc. properly executed Submission Agreements.

HEARING INFORMATION

On August 25, 1998, the arbitration panel conducted a pre-hearing conference lasting one (1) session.

CASE SUMMARY

The Claimant alleged that Respondents Prudential and Sheperd conducted unauthorized transactions in Claimant's account causing Claimant significant losses.

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Respondents Prudential and Sheperd denied the allegations of unauthorized transactions or any other type of wrongdoing in connection with Claimant's account.

RELIEF REQUESTED

Claimant requested an award of damages in excess of \$41,000.00 plus statutory interest, costs and reasonable attorneys' fees.

Respondents requested a dismissal of the claim.

OTHER ISSUES CONSIDERED & DECIDED

On October 5, 1998, the parties advised NASD Regulation, Inc. that the Claimant had entered into a settlement agreement with Respondents Prudential and Sheperd. Thereafter, on November 2, 1998, the parties filed with NASD Regulation, Inc. a Stipulation of Withdrawal and Dismissal with prejudice with respect to Respondent Sheperd and requested that the arbitration panel expunge all references to this matter from Respondent Sheperd's Central Registration Depository ("CRD") record. Further, the parties stipulated and agreed that an oral hearing may be conducted on the expungement issue if the panel deemed it necessary. The parties further agreed that the Chairperson alone may execute any Stipulated Award entered in this matter.

Respondents Prudential and Sheperd did not submit to NASD Regulation, Inc., Office of Dispute Resolution properly executed Submission Agreements but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim are bound by the determination of the arbitration panel on all issues submitted.

AWARD

After considering the pleadings and the Stipulation of Withdrawal and Dismissal executed by the parties, and having been informed of the settlement agreement entered into by the parties, the undersigned arbitrator, acting on behalf of the arbitration panel, consents to same and incorporates said stipulation by reference into this Award.

1. All references to this arbitration shall be expunged from Respondent Sheperd's CRD record with the NASD.

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FORUM FEES

Pursuant to Rule 10332(b) of the Code, a hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with an arbitrator, which lasts four hours or less.

Pursuant to Rule 10332(c) of the Code, the arbitration panel has assessed forum fees in the amount of \$300.00 (one (1) pre-hearing conference (Chairperson only) x \$300.00).

1. The Claimant is assessed forum fees in the amount of \$100.00 for which NASD Regulation, Inc. shall retain the funds previously deposited by the Claimant, in full satisfaction thereof.
2. Respondent Prudential shall pay forum fees in the amount of \$100.00 payable to NASD Regulation, Inc.
3. Respondent Sheperd shall pay forum fees in the amount of \$100.00 payable to NASD Regulation, Inc.

OTHER FEES

1. Pursuant to Rule 10332 of the Code, the Claimant has paid to NASD Regulation, Inc. the claim filing fee of \$120.00.
2. Pursuant to Rule 10333 of the Code, Respondent Prudential has paid to NASD Regulation, Inc. the member surcharge of \$200.00.
3. Pursuant to Rule 10319 of the Code, the Claimant has paid to NASD Regulation, Inc. the adjournment fee of \$400.00 for the hearing scheduled for March 24 and March 25, 1998.
4. Pursuant to Rule 10319(b) of the Code, Respondents Prudential and Sheperd have paid to NASD Regulation, Inc. the adjournment fee of \$800.00 for the hearing scheduled for May 20 and May 21, 1998.
5. Pursuant to Rule 10319(b) of the Code, Respondent Prudential shall pay to NASD Regulation, Inc. the adjournment fee of \$400.00 for the hearing scheduled for January 27 and January 28, 1998.

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Fees are payable to the NASD Regulation, Inc., Office of Dispute Resolution.

ARBITRATOR

Arbitrator's Signature

_____/s/
Steven Goerke, Esq., Chairperson
(On Behalf of the Arbitration Panel)

Date of Decision: December 28, 1998

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FILE

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

NASD CASE NO.: 95-03693

In the Matter of Arbitration Between:
FUTURES & OPTIONS TRADING, INC.

Claimant,

vs.

PRUDENTIAL SECURITIES, INC. and
GARY SHEPHERD,

Respondent.

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STIPULATION OF WITHDRAWAL AND DISMISSAL

IT IS HEREBY STIPULATED AND AGREED by and between counsel for the undersigned parties that any and all claims asserted against GARY SHEPHERD, in this arbitration are hereby withdrawn with prejudice and GARY SHEPHERD is dismissed from the above referenced action;

IT IS FURTHER STIPULATED AND AGREED that the parties here jointly move for an Award by the Arbitration Panel expunging all references of this matter from GARY SHEPHERD's Central Registration Depository ("CRD");

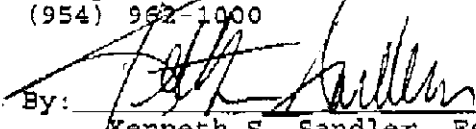
IT IS FURTHER STIPULATED AND AGREED that the parties consent to the issuance of the order on this Stipulation solely by the chairperson as opposed to the entire panel.

IT IS FURTHER STIPULATED AND AGREED that an oral hearing on an expedited manner be heard regarding same if the panel deems it

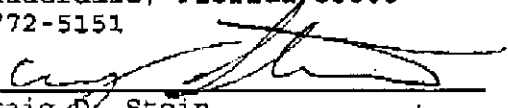
necessary.

DATED: 11/2/98.

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By: 
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