

**NASD REGULATION, INC.  
OFFICE OF DISPUTE RESOLUTION  
ARBITRATION AWARD**

**NASD REGULATION, INC. OFFICE OF DISPUTE RESOLUTION**

In the matter of the Arbitration Between

**Name of Claimants**

Petar Marovic and  
Rosy Marovic, individually and  
as Co-Trustees of the  
Marovic Family Trust

v.

NASD Regulation, Inc.  
Office of Dispute Resolution  
Arbitration No. 95-05333

**Name of Respondents**

Prudential Securities Incorporated, and  
Arturo E. Matthews

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**REPRESENTATION**

For Claimant:

William D. Evans  
Law Offices of William D. Evans  
Long Beach, California

For Respondents:

Robin Nackman  
Prudential Securities Incorporated  
Law Department  
New York, New York

**CASE INFORMATION**

Statement of Claim filed:

November 8, 1995

Claimants' Joint Submission Agreement signed:

November 8, 1995

Joint Statement of Answer filed by Respondents:

January 23, 1996

Respondent Prudential Securities Incorporated  
Submission Agreement signed:

January 22, 1996

### **HEARING INFORMATION**

Pre-Hearing Conference Date / Session: November 14, 1996 (1 Session)

Hearing Dates / Sessions: February 19, 1997 (2 Sessions)  
February 20, 1997 (2 Sessions)  
February 21, 1997 (1 Session)

Hearing Location: Los Angeles, California

### **CASE SUMMARY**

Claimants alleged that Prudential Securities and Arturo E. Matthews recommended unsuitable investments. Claimants also alleged that Respondents churned their four accounts to generate excess commissions. Claimants further alleged that Respondents breached their fiduciary duty owed to the Claimants.

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

### **RELIEF REQUESTED**

Claimants requested \$80,000.00 in actual damages. Claimants also requested punitive damages. Claimants further requested costs, expenses, and attorney fees.

Respondents requested dismissal of the claim, costs 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. Respondents are jointly and severally liable to and shall pay Claimants the sum of \$45,898.00.
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:

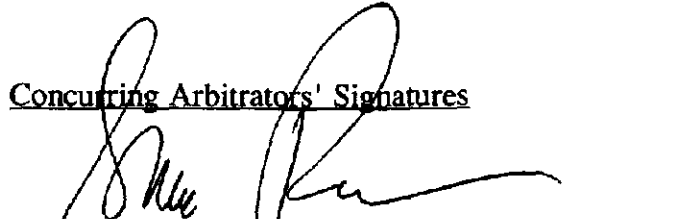
One Pre-Hearing Conference @ \$500.00/Session	=	\$500.00
<u>5 Hearing Sessions @ \$500.00/Session</u>	=	<u>\$2500.00</u>
Total Fees Assessed	=	\$3000.00
 Claimant's One-Half Share	=	\$1500.00
<u>Credit for Hearing Session Deposit</u>	=	<u>\$500.00</u>
Claimant's Balance Due	=	\$1000.00
 <u>Respondents joint and several One-Half Share</u>	=	<u>\$1500.00</u>
Respondents Balance Due	=	\$1500.00

Fees are payable to NASD Regulation, Inc.

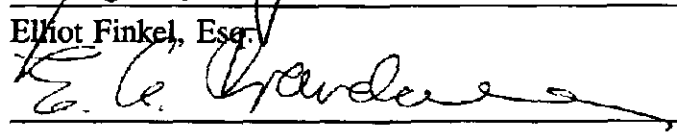
**ARBITRATORS**

<u>Name</u>	<u>Public / Industry</u>
Elliott Finkel, Esq.	Public Arbitrator
Elwood A. Crandal	Industry Arbitrator
Louis Davis	Public Arbitrator

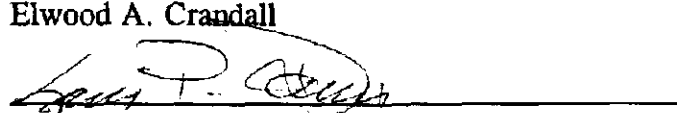
Concurring Arbitrators' Signatures



Elliott Finkel, Esq.



Elwood A. Crandal



Louis Davis

Date of Decision: Feb. 21, 1997

Date of Service: Feb 21, 1997