

NASD REGULATION, INC. AWARD

In the Matter of the Arbitration Between

Saroja L. and Lalitchandra G. Ranpura

v.

Case Number
96-04269

Prudential Securities, Inc.

REPRESENTATION

Saroja L. Ranpura and Lalitchandra G. Ranpura ("Claimants"), appeared pro se, with Saroja L. Ranpura representing Claimants.

Prudential Securities, Inc. ("Respondent" or "Prudential") was represented by Gerard J. Kowlaski, Esq., in-house counsel, located in New York, New York.

CASE INFORMATION

Claimants' Statement of Claim was filed on September 22, 1996. Claimants Uniform Submission Agreement was signed on January 6, 1997.

A Statement of Answer was filed by Respondent on April 23, 1997. Respondent's Submission Agreement was signed on March 20, 1997.

HEARING INFORMATION

The Arbitration Panel held a Pre-Hearing Conference on:

July 1, 1997 - One Session

and Hearing Sessions on:

September 23, 1997 - Three Sessions

for a total of four (4) sessions.

CASE SUMMARY

According to the Statement of Claim, Claimants' maintained a securities account with Respondent. Claimants alleged that the account sustained a tremendous amount of turnover, and that the registered representative assigned to their account misrepresented the account's short sale activity. Claimants further alleged that Respondent Prudential engaged in excessive trading in their account by completing inappropriate and unnecessary transactions.

Respondent denied each and every allegation asserted by Claimants. Respondent maintained that the trading was not excessive in light of the Claimants' objectives. Furthermore, Respondent stated that the registered representative did not make misrepresentations, and that neither Respondent nor the registered representative acted with intent to defraud, or with willful and reckless disregard for the interests of the Claimants. Respondent asserted that since the account was not discretionary each transaction was conducted only after Claimants' careful consideration and specific instructions, therefore, the Claimants assumed all risks associated with their securities purchases. Respondent further maintained that the "tremendous turnover of stocks" mentioned in the Statement of Claim did not constitute churning. Respondent alleged that Claimants authorized, ratified and accepted the transactions.

RELIEF REQUESTED

Claimants requested:

1. actual damages in the amount of \$170,315.08;
2. punitive damages in the amount of \$250,000.00;
3. that Respondent be forced to buy the short position;
4. reimbursement for all amounts collected from Claimants including dividends and other losses; and
5. reimbursement for all the expenses incurred in the case.

Respondent requested:

1. that the panel dismiss the claim in its entirety; and
2. that the costs related to defending the claim be assessed against the Claimants.

OTHER ISSUES CONSIDERED & DECIDED

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 original remains on file with the NASD.

The panel made the following determinations concerning Claimant Lalitchandra G. Ranpura, who failed to appear at the hearing in this matter:

1. The panel found that Claimant Ranpura was a customer at the time this controversy arose, therefore, the panel found personal jurisdiction over Ranpura pursuant to Rule 10301 of the Code.
2. In accordance with Rules 10310, 10315 and 10318 of the Code, the panel found that NASD Regulation, Inc. provided Ranpura with due notice of the hearing by regular and certified mail. The panel further determined to proceed with the hearing without Ranpura, whose case was presented by Claimant Saroja Ranpura.

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. Claimants' Statement of Claim is hereby denied in the entirety.
2. Each party shall bear its respective costs, including attorneys' fees.
3. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10332(c) of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. shall retain the \$200.00 non-refundable filing fee submitted by the Claimants.

Pursuant to Rule 10333 of the NASD Code of Arbitration Procedure, NASD Regulation, Inc. shall retain the non-refundable member surcharge in the amount of \$350.00.

As provided in NASD Rule 10332(b), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which last four (4) hours or less.

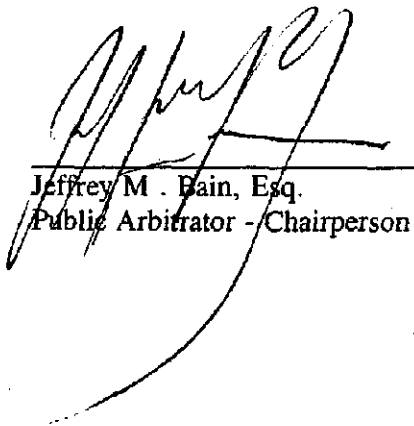
The arbitrators have assessed the following forum fees:

1 Pre-hearing conference x \$300.00	=	\$ 300.00
3 Hearing Sessions x \$750.00	=	\$2,250.00
Total Outstanding	=	\$2,550.00

Claimants be and hereby are jointly and severally liable and shall pay the sum of \$1,275.00, representing one-half of the total forum fees assessed. Claimants previously deposited \$750.00 with NASD Regulation, Inc., and, therefore, Claimants shall pay the balance of \$525.00.

Respondent be and hereby is liable and shall pay the sum of \$1,275.00, representing one-half of the total forum fees assessed. Fees are payable to NASD Regulation, Inc.

CONCURRING ARBITRATORS' SIGNATURES



Jeffrey M. Bain, Esq.
Public Arbitrator - Chairperson

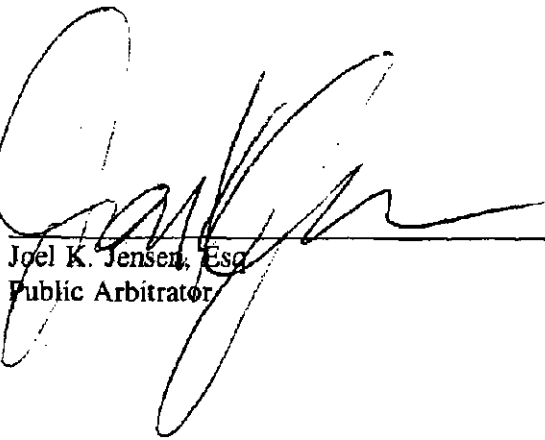
Joel K. Jensen, Esq.
Public Arbitrator

Wallace E. Sarran, Jr.
Industry Arbitrator

Date of Decision: January 26, 1998

CONCURRING ARBITRATORS' SIGNATURES

Jeffrey M. Bain, Esq.
Public Arbitrator - Chairperson



Joel K. Jensen, Esq.
Public Arbitrator

Wallace E. Sarran, Jr.
Industry Arbitrator

Date of Decision: January 26, 1998

CONCERNING ARBITRATORS' SIGNATURES

Jeffrey M. Bain, Esq.
Public Arbitrator - Chairperson

Joel K. Jensen, Esq.
Public Arbitrator

Wallace E. Saxon, Jr.
Industry Arbitrator

Date of Decision: January 26, 1998