

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

In the matter of the Arbitration Between

Name of Claimants

Larry Paletz  
Anglo American Corporation

v.

Arbitration No.  
96-04828

Name of Respondent

Ronald DeJong  
Prudential Securities, Inc.

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**REPRESENTATION**

For Claimants:

Edward J. McIntyre  
Solomon, Ward, Seidenwurm & Smith  
San Diego, California

For Respondent Ronald DeJong:

Paul I. Hamada, Esq.  
Keesal, Young and Logan  
Long Beach, California

For Respondent Prudential Securities' Inc.:

William M. Cassarini, Esq.  
Prudential Securities, Inc.  
New York, New York

**CASE INFORMATION**

Statement of Claim filed:

October 28, 1996

Claimants' Submission Agreements signed:

October 10, 1996

Statement of Answer filed by  
Respondents Prudential Securities and  
Ronald DeJong

April 1, 1997

Respondents Prudential Securities' and  
Ronald DeJong Submission Agreement signed:

April 30, 1997

### **HEARING INFORMATION**

Pre-Hearing Conference Dates / Sessions: September 4, 1997 (One Session)

Hearing Dates / Sessions: August 25, 1998 (Two Sessions)  
August 26, 1998 (One Session)

Hearing Location: San Diego, California

### **CASE SUMMARY**

Claimants alleged actual and constructive fraud, breach of fiduciary duty, stockbroker malpractice, statutory securities fraud, breach of trust, and negligence regarding the purchase of stock. Claimants also alleged that Respondent Prudential Securities failed to properly supervise its registered representative.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

### **RELIEF REQUESTED**

Claimants requested general, special, compensatory, incidental, consequential, punitive, and exemplary damages, and interest on all damages, as well as rescission and costs of suit.

Respondents requested that the Arbitration Panel dismiss the Claimants' claim in its entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties have agreed that the Award in this matter may be executed either 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 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) All of the Claimants' claims, including the claim for punitive damages, are denied in their entirety.
- 2) The parties shall each bear their respective costs, including attorney's fees.

**FORUM FEES**

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed against Prudential Securities, Inc.:

One Pre-Hearing Conference Session @ \$600.00 / Session	=	\$600.00
Three Hearing Sessions @ \$600.00 / Session	=	\$1,800.00
<b>Total Fees Assessed Respondent Prudential Securities, Inc.</b>	<b>=</b>	<b>\$2,400.00</b>

Prudential Securities, Inc.'s Total Balance Due	=	\$2,400.00
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Claimants' hearing session deposit will be refunded by NASD Regulation, Inc.

Fees are payable to NASD Regulation, Inc.

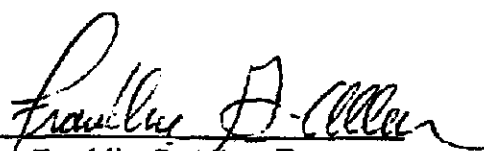
**OTHER FEES**

Pursuant to Rule 10333 of the Code, Respondent Prudential Securities, Inc. has paid to NASD Regulation, Inc. the \$350.00 member surcharge previously invoiced.

ARBITRATORS

<u>Name</u> .....	<u>Public / Industry</u>
Franklin G. Allen, Esq.	Public Arbitrator
Warren R. Homey	Industry Arbitrator
Jennifer T. Messersmith	Public Arbitrator

Concurring Arbitrators' Signatures

  
\_\_\_\_\_  
Franklin G. Allen, Esq.

\_\_\_\_\_  
Warren R. Homey

\_\_\_\_\_  
Jennifer T. Messersmith

Date of Service: \_\_\_\_\_

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**ARBITRATORS**

<u>Name</u>	<u>Public / Industry</u>
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Warren R. Horney	Industry Arbitrator
Jennifer T. Messersmith	Public Arbitrator

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\_\_\_\_\_  
Franklin G. Allen, Esq.

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Warren R. Horney 9/10/98

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Jennifer T. Messersmith

Date of Service: \_\_\_\_\_

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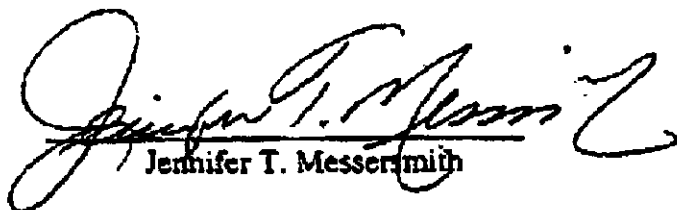
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Franklin G. Allen, Esq.

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Warren R. Horney

  
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Jennifer T. Messersmith

Date of Service: September 11, 19: