

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Robert E. Conn

Case No. 99-00074

Name of Respondent

Prudential Securities, Inc.

REPRESENTATION OF PARTIES

For Robert E. Conn, hereinafter referred to as "Claimant": Joel B. McLemore, Esq., Duluth, GA.

For Prudential Securities, Inc., hereinafter referred to as "Respondent": William E. Frulla, Esq. of Waring Cox, PLC, Memphis, TN.

CASE INFORMATION

Statement of Claim filed on or about: January 7, 1999.

Claimant signed the Uniform Submission Agreement: January 2, 1999.

Statement of Answer filed by Respondent on or about: March 23, 1999.

Respondent signed the Uniform Submission Agreement: March 10, 1999.

CASE SUMMARY

Claimant alleged the following: Respondent induced Claimant to conduct high risk "short" sales in his account without adequately warning Claimant of the risks of such activities. Claimant alleged violations of the anti-fraud provisions of Section 10(b) of the Securities Exchange Act of 1934, SEC Rule 10b-5, Tennessee Code Annotated 48-2-121, New York Stock Exchange Rule 405, and NASD Rule 2310. Claimant also alleged breach of fiduciary duty and fraud pursuant to the common law of Tennessee.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and alleged the following: Claimant is an experienced investor who accumulated a large portfolio through extensive and sophisticated investments, including investments in various equities. While Claimant may have lost money trading in securities, the account was, at all times, a non-discretionary account. Claimant's losses resulted from his own decisions, research, and orders. He was a sophisticated and experienced investor

who controlled his own account and often acted against the advice of his broker.

RELIEF REQUESTED

Claimant requested compensatory and exemplary/treble damages totaling \$10,000,000.00, attorneys' fees, and such other relief as the Panel deemed proper.

Respondent requested dismissal of the Statement of Claim plus reasonable attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 31, 1999, Respondent Prudential Securities, Inc. filed a motion for partial dismissal. Claimant filed a response to the motion on or about January 18, 2000. On or about February 3, 2000, the Panel issued an order which denied Respondent Prudential's motion for partial dismissal.

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's Statement of Claim is dismissed in its entirety.

Claimant's request for exemplary/treble damages is denied.

All other relief requests not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
--------------------------	-------------

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm, Prudential Securities, Inc., is a party.

Member surcharge	= \$3,000.00
------------------	--------------

Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Five (5) Hearing sessions x \$1,500.00	= <u>\$7,500.00</u>
Hearing Dates:	
August 29, 2000	2 sessions
August 30, 2000	2 sessions
<u>August 31, 2000</u>	<u>1 sessions</u>

Total Forum Fees	= \$7,500.00
------------------	--------------

The Panel has assessed \$3,750.00 of the forum fees to Claimant.
The Panel has assessed \$3,750.00 of the forum fees to Respondent.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$3,750.00</u>
Total Fees	= \$4,050.00
<u>Less payments</u>	<u>= \$4,050.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent be and hereby is solely liable for:

Member Fees	= \$8,600.00
<u>Forum Fees</u>	<u>= \$3,750.00</u>
Total Fees	= \$12,350.00
<u>Less payments</u>	<u>= \$8,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,750.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

/s/

Jack F. Marlow, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/

Donald J. Aho
Public Arbitrator

Signature Date

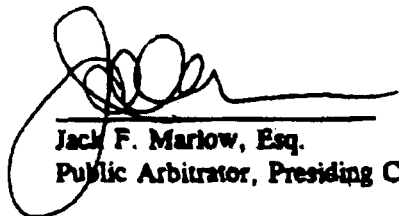
/s/

Thomas A. Snyder
Industry Arbitrator

Signature Date

October 3, 2000
Date of Service (For NASD-DR office use only)

Concurring Arbitrators' Signatures



Jack F. Marlow, Esq.
Public Arbitrator, Presiding Chair

9/28/00
Signature Date

Donald J. Aho
Public Arbitrator

Signature Date

Thomas A. Snyder
Industry Arbitrator

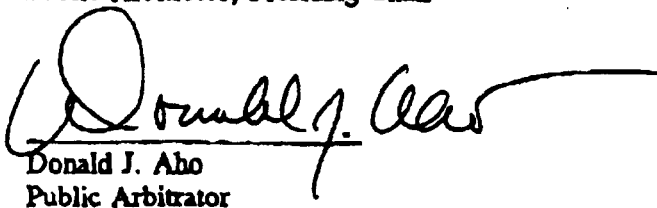
Signature Date

Date of Service (For NASD-DR office use only)

Concurring Arbitrators' Signatures

Jack F. Marlow, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Donald J. Aho
Public Arbitrator

9/28/00
Signature Date

Thomas A. Snyder
Industry Arbitrator

Signature Date

Date of Service (For NASD-DR office use only)

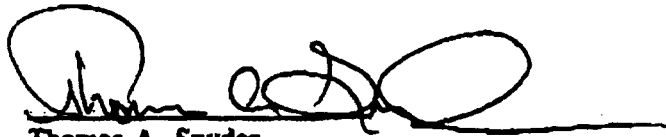
Concurring Arbitrators' Signatures

Jack F. Marlow, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Donald J. Aho
Public Arbitrator

Signature Date



Thomas A. Snyder
Industry Arbitrator

9-28-00
Signature Date

Date of Service (For NASD-DR office use only)