
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between: Estate of Hulda V. Bonestell, Claimant vs. Herbert M. "Skip" Harrison and Prudential Securities, Inc., Respondents.

Case Number: 99-03231

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

Claimant, Estate of Hulda V. Bonestell, hereinafter referred to as "Claimant": Robert E. Arnold III, Esq. and Laurence P. Horan, Esq., Horan Lloyd, Karachale, Dyer, Schwartz, Law & Cook Inc., Monterey, California.

Respondents, Herbert M. "Skip" Harrison ("Harrison") and Prudential Securities, Inc. ("Prudential"), hereinafter collectively referred to as "Respondents": Jack G. Lerner, Esq., Prudential Securities, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: June 28, 1999

Claimant, James M. Lauderdale, Executor of the Estate of Hulda V. Bonestell, signed the Uniform Submission Agreement on or about: June 28, 1999

Joint Statement of Answer filed by Respondents Herbert M. "Skip" Harrison and Prudential Securities, Inc., on or about: September 2, 1999

Respondent, Harrison, signed the Uniform Submission Agreement signed on or about: September 2, 1999

Respondent, Prudential, signed the Uniform Submission Agreement signed on or about: September 2, 1999

CASE SUMMARY

Claimant alleged negligence, mismanagement, failure to supervise and breach of fiduciary duty. This claim involved a brokerage account held by the late Hulda V.

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Bonestell. At issue in Claimant's account was Prudential California Municipal Series Fund, Transamerica Preferred Securities, Lake Elsinore Revenue Bonds and various other corporate securities and mutual funds. This account was managed by Prudential's Carmel, California branch office.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$400,000.00. Claimant also requested exemplary and punitive damages in the amount of \$1,200,000.00. Claimant also requested reimbursement for attorney fees, all costs of arbitration and any other relief the panel shall deem appropriate.

Respondents requested that the Statement of Claim be dismissed. Respondents also requested that all fees and costs be assessed against the Claimant and for any other relief the panel shall deem appropriate.

AWARD

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

1. Respondents Harrison and Prudential are jointly and severally liable for and shall pay to the Estate of Hulda V. Bonestell compensatory damages in the amount of \$300,000.00.
2. Respondents Harrison and Prudential are jointly and severally required to reimburse the Claimant for the filing fee of \$500.00 paid to NASD Dispute Resolution in this matter.
3. Respondents and Claimant shall each bear their own costs, including but not limited to attorneys' fees and other various costs not covered in other sections of this award.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$500.00

Member Fees

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

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$4,500.00

Forum Fees and Assessments

The arbitrator (panel) has the authority to assess 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:

(2) Pre-hearing conference sessions with the Panel @ \$1200.00/session = \$2,400.00

Pre-hearing conferences:	April 17, 2000	1 session
	June 28, 2000	1 session

(14) Hearing sessions @ \$1200.00/session = \$16,800.00

Hearing Dates:	October 23, 2000	2 sessions
	October 24, 2000	2 sessions
	October 25, 2000	2 sessions
	October 26, 2000	2 sessions
	February 26, 2000	2 sessions
	February 27, 2000	2 sessions
	February 28, 2000	2 sessions

Total Forum Fees	= \$19,200.00
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The panel has assessed all \$19,200.00 of the forum fees jointly and severally to the Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided

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without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. *Claimant requested audio tapes, duplication costs totaling \$90.00*

Fee Summary

1. Claimant, Bonestell, is solely liable for:

Initial Filing Fee	= \$ 500.00
<u>Administrative Costs</u>	= \$ 90.00
Total Fees	= \$ 590.00
<u>Less payments</u>	= \$ 1,790.00
Balance Due (Refund)	= \$ 1,200.00

2. Respondent, Prudential, is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
Total Fees	= \$ 7,600.00
<u>Less payments</u>	= \$ 7,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

4. Respondents, Harrison and Prudential, are jointly and severally liable for:

<u>Forum Fees</u>	= \$19,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$19,200.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Arturo Maimoni	-	Public, Presiding Chair
Walter F. Pettit	-	Public Arbitrator
Thomas E. Quinlin	-	Non-Public Arbitrator

Concurring Arbitrators' Signature(s)



Arturo Maimoni
Public Arbitrator, Presiding Chair

5/14/01
Signature Date

Date Served:

MAY 16 2001

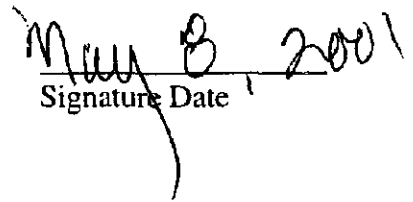
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Walter F. Pettit
Public Arbitrator


Signature Date

Thomas E. Quinlin
Non-Public Arbitrator

Date Served:

MAY 16 2001

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

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Walter F. Pettit
Public Arbitrator

Signature Date



Thomas E. Quinlin
Non-Public Arbitrator

5-8 01

Signature Date

Date Served:

MAY 16 2001

Date of Service (For NASD-Dispute Resolution office use only)