

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Martin W. Huffman and Sharon M. Huffman, Claimants v. John W. Huemoeller, II, Prudential Securities, Inc., PaineWebber, Inc., and FSC Securities Corporation, Respondents

Case Number: 99-04769

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimants:	Mark Steven Kessler, Esq. Law Offices of Mark Steven Kessler Escondido, California
For Respondent John W. Huemoeller, II:	David L. Casterline, Esq. Attorney at Law Manhattan Beach, California
For Respondent Prudential Securities, Inc.:	Martin Hunger, Esq. Prudential Securities, Inc. New York, New York
For Respondent PaineWebber, Inc.:	Gregory E. Copeland, Esq. PaineWebber, Inc. Los Angeles, California
For Respondent FSC Securities Corporation:	Chad Weaver, Esq. Law Offices of Nash & Edgerton Hermosa Beach, California

CASE INFORMATION

Statement of Claim filed: October 21, 1999

Amended Statement of Claim filed: August 16, 2000

Claimants' Uniform Submission Agreements signed: October 25, 1999

Statement of Answer filed by Respondent John W. Huemoeller, II: February 29, 2000

Respondent John W. Huemoeller, II's Uniform Submission Agreement signed: April 10, 2000

Statement of Answer filed by Respondent Prudential Securities, Inc.: February 29, 2000

Amended Statement of Answer filed by Respondent Prudential Securities, Inc.: September 22, 2000

Respondent Prudential Securities, Inc.'s Uniform Submission Agreement filed: March 1, 2000

Statement of Answer filed by Respondent PaineWebber, Inc.: February 29, 2000

Amended Statement of Answer filed by Respondent PaineWebber, Inc.: September 22, 2000

Respondent PaineWebber, Inc.'s Uniform Submission Agreement filed: February 29, 2000

Statement of Answer filed by Respondent FSC Securities Corporation: February 29, 2000

Amended Statement of Answer filed by Respondent FSC Securities: September 21, 2000

Respondent FSC Securities Corporation's Uniform Submission Agreement filed: March 1, 2000

CASE SUMMARY

Claimants alleged statutory 10b-5 and common law fraud by misrepresentation and omission, vicarious liability pursuant to the Securities Exchange Act of 1933 and 1934, violation of California Corporations Code sections 25401, 25501, and 25504, breach of fiduciary duty, violation of NASD Rules of Fair Practice, breach of contract, breach of the covenant of good faith and fair dealing, and elder abuse pursuant to California Welfare and Institutions Code sections 15610.30 and 15657. The allegations arose out of the purchase and/or sale of various securities and bonds.

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

RELIEF REQUESTED

Claimants requested \$500,000.00 in compensatory damages and \$300,000.00 in punitive damages. Claimants also sought unspecified interest damages, disgorgement of excessive commissions and compensation, and opportunity costs. Claimants also requested reimbursement for attorney's fees and costs of arbitration.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, and sought reimbursement for costs of arbitration. Additionally, Respondents John W. Huemoeller, II and FSC Securities Corporation also sought reimbursement for attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On October 30, 2000, the Panel dismissed with prejudice Respondent Prudential Securities, Inc.

On November 15, 2000, NASD Dispute Resolution, Inc. received notice that Claimants withdrew all claims against Respondents PaineWebber, Inc. and FSC Securities Corporation.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimants' claims are denied in their entirety.
- 2) Claimants' request for punitive damages is denied.
- 3) Each party shall bear their respective costs, including attorney's fees.
- 4) All relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 375.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy.

The member firm Prudential Securities, Inc. is a party and the following fees are assessed to each member firm:

Member Surcharge	= \$ 2,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 3,500.00</u>
Total Member Fees	= \$ 6,100.00

The member firm PaineWebber, Inc. is a party and the following fees are assessed to each member firm:

Member Surcharge	= \$ 2,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 3,500.00</u>
Total Member Fees	= \$ 6,100.00

The member firm FSC Securities Corporation is a party and the following fees are assessed to each member firm:

Member Surcharge	= \$ 2,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 3,500.00</u>
Total Member Fees	= \$ 6,100.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

1 Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: July 12, 2000 1 session	
2 Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conferences: June 19, 2000 1 session	
October 30, 2000 1 session	
3 Hearing sessions @ \$1,200.00/session	= \$ 3,600.00
Hearings: March 26, 2001 3 sessions	
Total Forum Fees	= \$ 6,450.00

1. The Panel assessed \$ 3,225.00 of the forum fees jointly and severally to Claimants Martin W. Huffman and Sharon M. Huffman.
2. The Panel assessed \$ 3,225.00 of the forum fees to Respondent John W. Huemoeller, II.

Fee Summary

1. Claimants Martin W. Huffman and Sharon M. Huffman are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 3,225.00
Total Fees	= \$ 3,600.00
Less Payments	= \$(1,575.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,025.00
2. Respondent Prudential Securities Inc. is charged with the following fees and costs:

Member Fees	= \$ 6,100.00
Less Payments	= \$(6,100.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00
3. Respondent PaineWebber, Inc. is charged with the following fees and costs:


Member Fees	= \$ 6,100.00
Less Payments	= \$(6,100.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00
4. Respondent FSC Securities Corporation is charged with the following fees and costs:

Member Fees	= \$ 6,100.00
Less Payments	= \$(6,700.00)
Refund Due FSC Securities Corporation	= \$ (600.00)
5. Respondent John W. Huemoeller, II is charged with the following fees and costs:

Forum Fees	= \$ 3,225.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,225.00

All balances are payable to NASD Dispute Resolution, Inc. and are due upon receipt of the Award pursuant to Rule 10330(g) of the Code.

Concurring Arbitrators' Signatures



Joseph C. Roberts, Esq.
Chair, Public Arbitrator

3/31/01
Signature Date

George N. Roy, CPA
Public Arbitrator

Signature Date

Alvin B. Asher
Non-Public Arbitrator

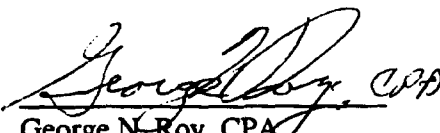
Signature Date

April 3, 2001
Date of Service

Concurring Arbitrators' Signatures

Joseph C. Roberts, Esq.
Chair, Public Arbitrator

Signature Date


George N. Roy, CPA
Public Arbitrator

03/31/01
Signature Date

Alvin B. Asher
Non-Public Arbitrator

Signature Date

Date of Service

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