

**Award
NASD Dispute Resolution, Inc.**

In the Matter of the Arbitration Between

Name of Claimants

Dana Schafer, individually
Dana Schafer, IRA

Case No. 99-04798
Hearing Site: Chicago, Illinois

Name of Respondents

Prudential Securities, Inc.
J. David Veitch

REPRESENTATION OF PARTIES

Claimants Dana Schafer, individually and Dana Schafer, IRA ("Ms. Schafer") were represented by P. Decker Sachse, Esq. of Barkley Titus Hillis & Reynolds PLLC, located in Tulsa, Oklahoma.

Respondents Prudential Securities, Inc. ("PSI") and J. David Veitch ("Mr. Veitch") (collectively, "Respondents") were represented by William Cassarini, Esq. of Prudential Securities, Inc. Office of the General Counsel, located in New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: October 25, 1999
Claimant Ms. Schafer signed the Uniform Submission Agreement: October 20, 1999

Statement of Answer filed by Respondents on or about: February 10, 2000
Respondent PSI signed the Uniform Submission Agreement: February 1, 2000
Respondent Mr. Veitch signed the Uniform Submission Agreement: January 26, 2000

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, churning, suitability, and failure to supervise. The causes of action relate to considerable financial loss resulting from speculative investing and questionable trading activities by Mr. Veitch on behalf of Prudential Securities, Inc..

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following affirmative defenses: failure to state a claim upon which relief may be granted; all transactions were expressly authorized and ratified by Claimant; estoppel; assumption of risk of investing; suitable trading for Claimants investment objectives; the statute of limitations has tolled on all claims.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 36,400.00
Interest	\$ unspecified
Attorney Fees	\$ unspecified
Costs	\$ unspecified
Lost Opportunity Damages	\$ 44,000.00
Punitive Damages	\$ 10,000.00
Other	any other relief the Panel deemed just and equitable.

Respondent requested:

Interest	\$ unspecified
Attorney Fees	\$ unspecified
Costs	\$ unspecified
Other	Dismissal of Statement of claim and any other relief the Panel deemed just and equitable.

OTHER ISSUES CONSIDERED AND 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.

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:

1. Respondent Prudential Securities, Inc. is liable for and shall pay to Claimant Dana Schafer, individually and Dana Schafer, IRA \$29,000.00 to be divided at Ms. Schafer's discretion as compensatory damages.
2. Each party shall bear their own costs.
3. Any relief not addressed herein is hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$225.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$1,500.00</u>
Total	= \$3,100.00

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator	x \$450.00	= \$450.00
Pre-hearing conference:	September 06, 2001 session	

One (1) Pre-hearing session with Panel x \$750.00	= \$750.00
Pre-hearing conference: December 08, 2000	1 session
Three (3) Hearing sessions x \$750.00	= \$2250.00
Hearing Date: January 23, 2001	3 sessions
Total Forum Fees	= \$3450.00

1. The Panel has assessed \$1725.00 of the forum fees to Ms. Schafer.
2. The Panel has assessed \$1725.00 of the forum fees to Respondent Prudential.

Fee Summary

1. Claimants shall be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$1725.00
Total Fees	= \$1950.00
Less payments	= \$ 975.00
Balance Due NASD Regulation, Inc.	= \$ 975.00
2. Respondent be and hereby is solely liable for:

Member Fees	= \$3,100.00
Forum Fees	= \$1,725.00
Total Fees	= \$4,825.00
Less payments	= \$3,700.00
Balance Due NASD Regulation, Inc.	= \$1,175.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

/s/ Edward M. Pennick

02/16/01

Edward M. Penick, Sr.,
Chairperson

Date

/s/ Michael E. Nelson

02/20/01

Michael E. Nelson
Industry Arbitrator

Date

/s/ Edwin E. O'Brien

02/16/01

Edwin E. O'Brien
Public Arbitrator

Date

02/20/01

Date Served (For NASD use only)

NASD Dispute Resolution, Inc.
Arbitration No. 99-04798
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2-16-01
Date

Michael E. Nelson
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Edward M. Penick, Sr.,
Chairperson

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Michael E. Nelson
Industry Arbitrator

Date

Edwin E. O'Brien
Edwin E. O'Brien
Public Arbitrator

February 16, 2001
Date

Date Served (For NASD use only)