

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

S. Hamilton Chaney

Case No. 99-05273

Name of Respondents

Prudential Securities, Inc.
James A. Kujawski

Hearing Location: Baltimore, MD

REPRESENTATION OF PARTIES

Claimant, S. Hamilton Chaney, hereinafter referred to as "Claimant": Brice G. Dowell, Esq., Attorney at Law, Towson, MD.

Respondents, Prudential Securities, Inc. ("Prudential") and James A. Kujawski ("Kujawski"), hereinafter collectively referred to as "Respondents": Theodore M. Davis, Esq., Prudential Securities, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on: November 17, 1999.

Claimant signed the Uniform Submission Agreement: November 10, 1999.

Statement of Answer filed by Respondents, Prudential and Kujawski, on or about: February 25, 2000.

Respondent, Prudential, signed the Uniform Submission Agreement: February 25, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: Respondents did not know their customer; churning; suitability; unauthorized trading; lack of disclosure of material information; and, failure to monitor Claimant's account. Claimant alleged wrongdoing involved with the opening of a margin account on behalf of Claimant, as well as the purchase and sale of common stock, including but not limited to the following securities: CellNet Data Systems, Inc.; Ibis Technology; Informix Corporation; NextLevel System, Inc.; Paging Newtork; Read Rite Corporation; Reno Air; and, day-trading in TicketMaster Online CitySearch, Inc.

Unless specifically admitted in its Answer, Respondents Prudential and Kujawski denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a claim upon which relief can be granted; Claimant had full

knowledge of all material facts concerning the investments he made, including the nature of the investments and the associated risks; estoppel; ratification; Respondents denied making any misrepresentations or omissions; assumption of risk; the diminished value of Claimants investments was the result of unforeseen price fluctuations in the securities markets; Claimant failed to mitigate his losses; Claimant did not justifiably rely on any alleged misstatements or omissions by Respondents; Claimant's accounts were not invested in contradiction to his investment objectives; Claimant failed to establish a fiduciary relationship existed with Respondents; Claimant failed to establish the existence of a contract or a breach thereof; and, there is no private cause of action for alleged violations of the NASD Rules of Fair Practice.

RELIEF REQUESTED

Claimant requested \$51,927.90 in Compensatory Damages.

Respondents Prudential and Kujawski requested that the claim be denied in its entirety; the costs of defending this action; and, that Respondent Kujawski's CRD records be expunged of all reference to this action.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Kujawski did not file with the NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim and appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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. Respondents, jointly and severally, are liable to and shall pay to Claimant \$10,000. Interest on the award begins to accrue thirty (30) days after the Award has been served at the legal rate of interest in the State of Maryland;
2. the parties shall bear their respective costs and expenses, including attorneys' fees, except as fees are addressed below;
3. Respondent Kujawski's request for expungement is denied;
4. and, any request for relief not specifically addressed herein is denied in its entirety.

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	= \$ 225
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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 firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is Prudential Securities, Inc., Respondent Kujawski's former firm.

Member surcharge	= \$1,000
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$1,500

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 Panel x \$750	= \$ 750
Pre-hearing conference: February 2, 2001	1 session
Two (2) Hearing sessions x \$750	= \$1,500
Hearing Date: April 30, 2001	2 sessions
Total Forum Fees	= \$2,250

The Panel has assessed \$1,125 of the forum fees to Claimant Chaney.
The Panel has assessed \$1,125 of the forum fees jointly and severally to Respondents Prudential and Kujawski.

Fee Summary

Claimant, Chaney, is assessed the following fees:

Initial Filing Fee	= \$ 225
<u>Forum Fees</u>	= \$1,125
Total Fees	= \$1,350
<u>Less payments</u>	= \$ 975
Balance Due NASD Dispute Resolution, Inc.	= \$ 375

Respondent, Prudential, is assessed the following fee:

<u>Member Fees</u>	= \$3,100
Total Fees	= \$3,100
<u>Less payments</u>	= \$3,100
Balance Due NASD Dispute Resolution, Inc.	= \$ 00

Respondents, Prudential and Kujawski, are jointly and severally assessed the following fees:

<u>Forum Fees</u>	= \$1,125
Balance Due NASD Dispute Resolution, Inc.	= \$1,125

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

Concurring Arbitrators' Signatures



Ian R.D. Williams, Esq.
Public Arbitrator, Presiding Chairperson

5-8-01
Signature Date

Barbara Davis Solomon, Esq.
Public Arbitrator, Panelist

Signature Date

Jeffrey S. Battles
Non Public Arbitrator, Panelist

Signature Date

May 14, 2001
Date of Service (For NASD-DR office use only)

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Ian R.D. Williams, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Barbara Davis Solomon, Esq.
Public Arbitrator, Panelist

5/7/01

Signature Date

Jeffrey S. Barles
Non Public Arbitrator, Panelist

Signature Date

May 14, 2001

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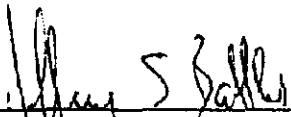
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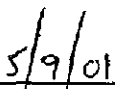
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