Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
CIF International

Case Number: 02-00377

Name of the Respondent
Prudential Securities Incorporated

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For CIF International, hereinafter referred to as "Claimant": Wayne Schwartz, Esq. and Darren Blum, Esq., Blum, Silver & Schwartz, LLP., Plantation, Florida.

For Prudential Securities Incorporated, hereinafter referred to as "Respondent": Patrick Gaffney, First Vice President, Associate General Counsel, Prudential Securities Incorporated, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: January 14, 2002.
Claimant signed the Uniform Submission Agreement: January 6, 2002.
Statement of Answer filed by Respondent on or about: April 3, 2002.
Respondent signed the Uniform Submission Agreement. October 15, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violation of Fla. Stat. Section 517.301; 2) breach of contract; 3) breach of fiduciary duty; 4) common law fraud; 5) suitability; and, 6) negligence. The causes of action relate to the purchase and sale of various stocks, including, but not limited to, Qlogic Corp., Sand Disk Corp., Rambus, Inc., Veritas Software Corp., Synquest, Inc., Conexant Systems, Inc., Motorola, Inc., Real Networks, Inc., Bea Systems, Inc., Oracle Corp. and Extreme Networks, Inc. and the use of margin in Claimant's account.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of $530,000.00, interest at the legal rate from the date of purchase or reasonable market return, recission, reasonable attorney's fees to be determined by a court of competent jurisdiction, punitive damages, costs and for such other relief as the Panel deemed just and proper.

Respondent requested that the Statement of Claim be dismissed in its entirety, costs, and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be entered in counterpart copies or that a signed handwritten 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:

Respondent is found liable on the claims of negligent supervision of its financial advisor, breach of fiduciary duty and negligent management of Claimant's account and shall pay to Claimant compensatory damages in the amount of $230,000.00, pre and post-award interest specifically excluded.

Respondent is found liable and shall reimburse to Claimant his NASD claim filing fee in the amount of $375.00.

Any and all claims for relief not specifically addressed herein, including Claimant's claim for relief pursuant to Fla. Stat. Sect. 517.301, the parties' requests for attorney's fees and Claimant's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= $375.00

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. Accordingly, Respondent is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= $2,250.00
Pre-hearing process fee	= $ 750.00
Hearing process fee	= $4,000.00

Adjournment Fees

No requests for adjournments were filed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 the Panel @ $1,200.00			= $1,200.00
Pre-hearing conference:	August 21, 2002	1 session	
Six (6) Hearing sessions with the Panel @ $1,200.00			= $7,200.00
Hearing Dates:	October 14, 2003	2 sessions	
	October 15, 2003	2 sessions	
	October 16, 2003	2 sessions	
Total Forum Fees			= $8,400.00

The Panel has assessed the total forum fees of $8,400.00 to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= $ 375.00
Total Fees	= $ 375.00
Less payments	= $ 375.00
Balance Due NASD Dispute Resolution	= $ 0.00

Respondent is solely liable for:

Member Fees	= $ 7,000.00
Forum Fees	= $ 8,400.00
Total Fees	= $ 15,400.00
Less payments	= $ 7,000.00
Balance Due NASD Dispute Resolution	= $ 8,400.00

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

ARBITRATION PANEL

Charles Hoffman, Esq.	-	*Public Arbitrator, Presiding Chairperson*
Patricia J. Murphy, JD	-	*Public Arbitrator*
John N. Breazeale	-	*Non-Public Arbitrator*

Concurring Arbitrators' Signatures

/s/
Charles Hoffman, Esq.
Public Arbitrator, Presiding Chairperson

10/21/03
Signature Date

/s/
Patricia J. Murphy, JD
Public Arbitrator

10/22/03
Signature Date

/s/
John N. Breazeale
Non-Public Arbitrator

10/21/03
Signature Date

10/23/03
Date of Service (For NASD Dispute Resolution office use only)

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