

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

James W. Hamilton, Jr.

Case No. 00-03080

Names of Respondents

Prudential Securities, Inc.
David Munro Pierce
Joseph Thomas Grippi

REPRESENTATION OF PARTIES

For James W. Hamilton, Jr. ("Hamilton"), hereinafter referred to as "Claimant": S. Lawrence Polk, Esq., Sutherland Asbill & Brennan LLP, Atlanta, Georgia.

For Prudential Securities, Inc. ("Prudential"), David Munro Pierce ("Pierce") and Joseph Thomas Grippi ("Grippi"), hereinafter collectively referred to as "Respondents": Robert A.W. Boraks, Esq. of Garvey, Schubert & Barer, Washington, D.C.

CASE INFORMATION

Statement of Claim filed on or about: July 18, 2000.

Claimant signed the Uniform Submission Agreement: July 14, 2000.

Statement of Answer filed by Respondents on or about: September 18, 2000.

Respondents did not file properly executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following: From September 1994 through September 1999, Claimant was employed by Respondent Prudential as the Branch Manager for Prudential's Atlanta Branch Office. Respondent Grippi, Prudential's Regional Director and Claimant's direct supervisor, pressured Claimant to increase the number of registered representatives at the branch office and retained a headhunter to bring prospects to Claimant for his consideration. Many of the prospects brought to Claimant's attention had prior disciplinary problems or customer complaints, or otherwise did not have a good reputation in the Atlanta financial community. Claimant refused to hire these individuals as registered representatives. Respondent Grippi became increasingly hostile toward Claimant and continued to demand that he hire additional registered representatives even at the expense of NASD rules

concerning the hiring of individuals with disciplinary backgrounds. Claimant's record as branch manager was exemplary. However, Respondent Grippi's complaints concerning Claimant's hiring practices continued and Respondent Grippi recommended that Claimant be demoted as a branch manager. This recommendation was adopted by Respondent Pierce, Prudential's Divisional Director, and Prudential. Although Respondent Pierce indicated to Claimant that Prudential would try to find another position for him, no such offer ever was made, and Claimant thereafter became employed with another NASD member firm.

Further, Respondent Prudential withheld from Claimant the incentive and stock awards he had earned for 1999, and further refused to pay him a severance based upon his years of service at the company.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Prudential compensated Claimant fully for his services as Branch Manager. After Claimant was removed as Branch Manager, Prudential continued to employ Claimant at his previous salary until he resigned. Prudential discussed with Claimant the possibility of accepting a position in its New York office, but Claimant declined. While Claimant remained employed at Prudential, and continued to discuss the possibility of another position with Prudential, Claimant sought employment elsewhere. Claimant took a more lucrative position as Branch Office Manager with another NASD member firm and received substantial compensation from said firm.

Further, Claimant has not presented a legally cognizable claim for his removal as Branch Manager or for constructive wrongful termination either as Branch Manager or Prudential employee. Claimant was removed from his position as Branch Manager for a number of legitimate reasons, which include primarily, but are not limited to, Prudential's declining market share, Prudential's declining share of the total number of Financial Advisors employed in the region and Claimant's failure to recruit both Financial Advisors in Training and experienced Financial Advisors to Prudential's Atlanta office.

RELIEF REQUESTED

Claimant requested an award of \$639,250.00, attorneys' fees and costs.

Respondents requested an award in their favor, including costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, are 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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Prudential is liable and shall pay to Claimant the sum of \$19,790.41.

All claims against Respondents Grippi and Pierce are dismissed, with prejudice.

All other requests for relief not specifically addressed herein are denied.

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	= \$375.00
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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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

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

One Pre-hearing session with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference: April 19, 2001	1 session

Two Pre-hearing sessions with Panel x \$1,200.00	= \$2,400.00
Pre-hearing conferences: January 8, 2001	1 session
May 14, 2001	1 session

Five Hearing sessions x \$1,200.00	= \$6,000.00
Hearing Dates: May 22, 2001	2 sessions
May 23, 2001	2 sessions
<u>May 24, 2001</u>	<u>1 session</u>

Total Forum Fees = \$8,850.00

The Panel has assessed \$4,425.00 of the forum fees to Claimant.

The Panel has assessed \$4,425.00 of the forum fees to Respondent Prudential.

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

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$375.00
Forum Fees	= \$4,425.00
Total Fees	= \$4,800.00
<u>Less payments</u>	<u>= \$4,450.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$350.00

Respondent Prudential be and hereby is solely liable for:

Member Fees	= \$6,100.00
Forum Fees	= \$4,425.00
Total Fees	= \$10,525.00
<u>Less payments</u>	<u>= \$6,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$4,425.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

ARBITRATION PANEL

<i>Lisa V. Gianneschi, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Dave Wolf, Jr.</i>	-	<i>Public Arbitrator</i>
<i>George E. Coleman, Jr.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/S/_____
Lisa V. Gianneschi, Esq.
Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
Dave Wolf, Jr.
Public Arbitrator


Signature Date

_____/S/_____
George E. Coleman, Jr.
Non-Public Arbitrator

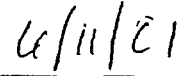
Signature Date

June 15, 2001
Date of Service (For NASD-DR office use only)

Concurring Arbitrators' Signatures



Lisa V. Gianneschi, Esq.
Public Arbitrator, Presiding Chair



Signature Date

Dave Wolf, Jr.
Public Arbitrator

Signature Date

George E. Coleman, Jr.
Non-Public Arbitrator

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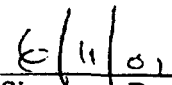
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Public Arbitrator



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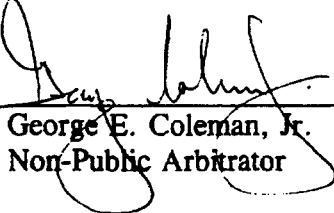
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