

**Consent Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Overseas Oil Company-Bahamas LTD., Claimant vs. Prudential Securities Inc., Claude Benzaquen, Juan Garcia and Andrew Banks, Respondents

Case Number: 00-05016

Hearing Site: New York, NY

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**REPRESENTATION OF PARTIES**

Claimant, Overseas Oil Company-Bahamas LTD ("Overseas Oil") hereinafter referred to as "Claimant": Jeff Dennis Ferentz, Esq., Greenbaum & Ferentz LLP, Newport Beach, California.

Respondents, Prudential Securities Inc. ("Prudential"), Andrew Banks ("Banks"), Juan Garcia ("Garcia"), and Claude Benzaquen ("Benzaquen"), hereinafter collectively referred to as "Respondents": Jack G. Lerner, Esq., First Vice President and Associate General Counsel, Prudential Securities, Inc., New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: September 20, 2000

Overseas Oil signed the Uniform Submission Agreement: November 13, 2000

Statement of Answer filed by Respondents on or about: April 2, 2001

Prudential signed the Uniform Submission Agreement: April 2, 2001

Benzaquen signed the Uniform Submission Agreement: April 6, 2001

Garcia signed the Uniform Submission Agreement: April 6, 2001

Banks signed the Uniform Submission Agreement: April 6, 2001

**CASE SUMMARY**

Claimant asserted the following causes of action: unsuitability; violation of Section 10(b) and Rule 10b-5; violation of the NASD Rules of Fair Practice and the NYSE "Know Your Customer Rules"; violation of the 1962 SEC Release; fraud; deceit; omission of material fact; violation of the NASD Conduct Rule 2510; violation of the National Futures Association Rule 2-2; breach of fiduciary duty and failure to supervise.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant controlled the overseas account; Claimant's margin arrangements were clear and enforced with due courtesy; Claimant has no proper basis to challenge the specific trades identified in the statement of

claim and claimant's legal theories do not apply in this case.

### **RELIEF REQUESTED**

**Claimant requested:**

Compensatory Damages	\$1,750,000.00
Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified

**Respondents requested:**

1. An award denying the Statement of Claim in its entirety.
2. Assess all fees, costs, and relief that the Panel may deem appropriate against Claimant.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties have agreed that the Consent Award in this matter may be executed in counterpart copies.

At the conclusion of the January 15, 2002 hearings, the parties advised the panel that a settlement had been reached, and agreed to submit a Consent Award for the panel's consideration.

### **AWARD**

On January 15, 2002, the parties agreed to present to the panel a Consent Award. Now, in lieu of further hearing and upon the motion of all parties for entry of an award, the panel hereby grants the motion and enters this award granting the following relief:

1. The panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Benzaquen, Bank and Garcia's registration records maintained by the NASD Central Registration Depository ("CRD"). with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive

2. All other relief requests are hereby 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	= \$ 500.00
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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 that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, Prudential Securities Inc. is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

#### **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:

2 Pre-hearing sessions with Panel x \$1,200.00	= \$2,400.00
Pre-hearing conferences: August 6, 2001      1 session	
September 5, 2001      1 session	
2 Hearing sessions x \$1,200.00	= \$2,400.00
Hearing Date: January 15, 2002      2 sessions	
<hr/> Total Forum Fees	<hr/> = \$4,800.00

1. The Panel has assessed \$2,400.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,400.00 of the forum fees against 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.

1. Prudential, requested copies of awards, \$70.00.

**Fee Summary**

1. Claimant, Overseas Oil, be and hereby is solely liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= <u>\$2,400.00</u>
Total Fees	= \$2,900.00
<u>Less payments</u>	= <u>\$1,700.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00

2. Respondent, Prudential, be and hereby is solely liable for:

Member Fees	= \$ 7,600.00
Forum Fees	= \$ 2,400.00
<u>Administrative Costs</u>	= <u>\$ 70.00</u>
Total Fees	= \$10,070.00
<u>Less payments</u>	= <u>\$ 7,570.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,500.00

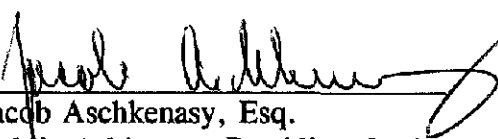
All balances are due and payable to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Jacob Aschkenasy, Esq.	-	Public Arbitrator, Presiding Chair
Kenneth B. Cutler, Esq.	-	Public Arbitrator
C. Kenneth Yoblon	-	Industry Arbitrator

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

  
\_\_\_\_\_  
Jacob Aschkenasy, Esq.  
Public Arbitrator, Presiding Chair

2.15.02  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Kenneth B. Cutler, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
C. Kenneth Yoblon  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

February 22, 2002  
\_\_\_\_\_  
Date of Service (For NASD office use only)

**ARBITRATION PANEL**

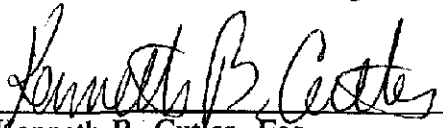
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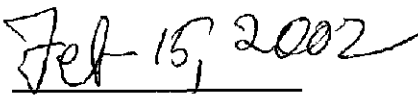
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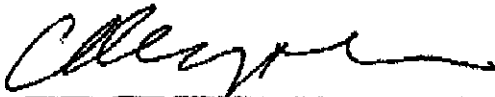
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Public Arbitrator, Presiding Chair

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Kenneth B. Cutler, Esq.  
Public Arbitrator

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Signature Date

  
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C. Kenneth Yoblon  
Industry Arbitrator

2/5/02  
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Signature Date

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