

**Award
NASD**

In the Matter of the Arbitration Between:

Name of the Claimant
Robert Kohn

Case Number: 01-02569

Names of the Respondents
Prudential Securities, Inc.
Steven Frank Esposito

Hearing Site: Boca Raton, FL

REPRESENTATION OF PARTIES

For Robert Kohn, hereinafter referred to as "Claimant": Kenneth E. Keechl, Esq., Brinkley, McNerny, Morgan, Solomon & Tatum, L.L.P., Ft. Lauderdale, FL.

For Prudential Securities, Inc. ("PSI") and Steven Frank Esposito ("Esposito"), hereinafter collectively referred to as "Respondents": Jack G. Lerner, First Vice President, Associate General Counsel, PSI, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: May 11, 2001.

Reply to Counterclaim and Answer filed by Claimant on or about: August 15, 2001.

Claimant signed the Uniform Submission Agreement: May 10, 2001.

Statement of Answer and Counterclaim filed by Respondents on or about: August 2, 2001.

Respondent PSI signed the Uniform Submission Agreement: August 2, 2001.

Respondent Esposito signed the Uniform Submission Agreement: August 3, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; breach of fiduciary duty; negligent supervision; and, violations of Florida Statutes section 517, the Florida Securities and Investor Protection Act. The causes of action relate to the sale of Entrade, Inc. stock in Claimant's account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim, asserted various affirmative defenses, and filed a counterclaim seeking repayment of a debit balance in Claimant's account. The cause of action relates to the margin loan extended by PSI to Claimant.

Unless specifically admitted in his Reply, Claimant denied the allegations made in the counterclaim.

RELIEF REQUESTED

Claimant requested compensatory and/or statutory damages of approximately \$13,000,000.00,

lost opportunity costs, prejudgment interest, attorneys' fees, costs, dismissal of Respondent PSI's counterclaim, assessment against Respondents of all fees and costs, and all relief that the undersigned arbitrators (the "Panel") deemed appropriate.

Respondents requested dismissal of the Statement of Claim and assessment against Claimant of all fees and costs, and all relief that the Panel deemed appropriate. In its counterclaim, Respondent PSI requested compensatory damages of \$16,380.00 plus interest.

OTHER ISSUES CONSIDERED AND DECIDED

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

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:

Respondents PSI and Esposito are liable, jointly and severally, for negligence and shall pay to Claimant compensatory damages in the sum of \$66,000.00 plus interest at the rate of 6% per annum accruing from July 1, 2000 until the date of payment of the Award.

Claimant is liable and shall pay to Respondent PSI compensatory damages in the sum of \$16,380.00 plus interest at the rate of 6% per annum accruing from July 3, 2000 until the date of payment of the Award.

Respondent PSI is liable and shall pay to Claimant attorneys' fees in the sum of \$2,462.50 in connection with the granting of Claimant's motion for attorneys' fees related to Respondent PSI's failure to comply with certain of the Panel's discovery orders.

Claimant is liable and shall pay to Respondent PSI attorneys' fees in the sum of \$1,500.00 pursuant to the contract between the parties.

Any and all relief not specifically addressed herein is denied.

FEES

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

Filing Fees

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

Initial claim filing fee	= \$600.00
Counterclaim filing fee	= \$750.00

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	= \$3,600.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournment were filed in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$450.00
Pre-hearing conference: May 1, 2002 1 session	
One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: December 17, 2001 1 session	
Twenty-seven (27) Hearing sessions @ \$1,200.00	= \$32,400.00
Hearing Dates: June 3, 2002 2 sessions	
June 4, 2002 2 sessions	
June 5, 2002 2 sessions	
June 6, 2002 2 sessions	
June 7, 2002 2 sessions	
June 10, 2002 2 sessions	
June 11, 2002 2 sessions	
June 12, 2002 2 sessions	
June 13, 2002 2 sessions	
June 14, 2002 2 sessions	
June 25, 2002 2 sessions	

June 26, 2002	2 sessions
June 27, 2002	2 sessions
June 28, 2002	1 session

Total Forum Fees	= \$34,050.00
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The Panel has assessed \$17,025.00 of the forum fees to Claimant.

The Panel has assessed \$17,025.00 of the forum fees jointly and severally to Respondents PSI and Esposito.

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 are 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 in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$600.00
Forum Fees	= \$17,025.00

Total Fees	= \$17,625.00
Less payments	= \$1,800.00

Balance Due NASD	= \$15,825.00
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Respondent PSI is solely liable for:

Counterclaim Filing Fee	= \$750.00
Member Fees	= \$9,200.00

Total Fees	= \$9,950.00
Less payments	= \$9,950.00

Balance Due NASD	= \$0.00
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Respondents PSI and Esposito are jointly and severally liable for:

Forum Fees	= \$17,025.00
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Total Fees	= \$17,025.00
Less payments	= \$1,200.00

Balance Due NASD	= \$15,825.00
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All balances are payable to NASD and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Arthur L. Tepper, Esq.	-	Public Arbitrator, Presiding Chair
Paul W. Sterman, CPA	-	Public Arbitrator
Susan M. Dunning	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

Arthur L. Tepper, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/

Paul W. Sterman, CPA
Public Arbitrator

Signature Date

/s/

Susan M. Dunning
Non-Public Arbitrator

Signature Date

July 29, 2002

Date of Service (For NASD office use only)


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Concurring Arbitrators' Signatures


Arthur L. Tepper, Esq.
Public Arbitrator, Presiding Chair

7/29/02
Signature Date

Paul W. Sterman, CPA
Public Arbitrator

Signature Date

Susan M. Dunning
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chair

Signature Date

Paul W. Sterman

Paul W. Sterman, CPA
Public Arbitrator

7/29/2002

Signature Date

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Non-Public Arbitrator

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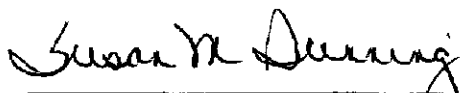
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Public Arbitrator, Presiding Chair

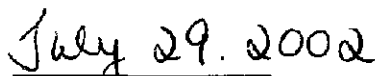
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