

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Donald Michael Scott-Blair, Claimant v. Prudential Securities, Inc. and Alan Wise, Respondents

Case Number: 01-02952

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimant:

Franklin Geerdes, Esq.
Geerdes & Geerdes
Escondido, California

For Respondents:

William M. Cassarini, Esq.
Prudential Securities, Inc.
New York, New York

CASE INFORMATION

Statement of Claim filed: May 31, 2001

Claimant's Uniform Submission Agreement signed: May 31, 2001

Joint Statement of Answer filed by Respondents Prudential Securities, Inc. and Alan Wise:
October 18, 2001

CASE SUMMARY

Claimant alleged suitability, churning, common law fraud, breach of fiduciary duty, negligence, and failure to supervise.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$59,234.00 in compensatory damages, a reasonable rate of return on the sum of \$59,234.00, from after the date of February 1, 2001 to the date of the award, if an award is made in terms of loss of principle, less withdrawals, then a reasonable rate of return upon the principle amount for the period from February 2000 through January 2001, a period of twelve months, exemplary and punitive damages as the arbitrators may deem appropriate, not to exceed \$30,000.00, interest, and arbitration costs.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Prudential Securities, Inc. and Alan Wise did not file with the NASD Dispute Resolution properly executed submission agreements but are required to submit to arbitration pursuant to 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 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Prudential Securities, Inc. is liable to and shall pay Claimant \$17,418.40 in compensatory damages.
- 2) Claimant's request for punitive damages is denied.
- 3) Respondent Alan Wise is dismissed with prejudice.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 225.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Prudential Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,500.00</u>
Total Member Fees	= \$ 3,100.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Arbitrator/Chair. The following fees are assessed:

1 Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: July 17, 2002 1 session	

1 Pre-hearing conference session with the Panel @ \$ 750.00/session	= \$
750.00	

Pre-hearing conference: February 27, 2002 1 session	
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4 Hearing sessions @ \$ 750.00/session	= \$ 3,000.00
Hearings: July 23, 2002 2 sessions	
July 24, 2002 2 sessions	

Total Forum Fees	= \$ 4,200.00
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1. The Arbitration Panel waived the \$750.00 forum fee for the telephonic pre-hearing conference conducted on February 27, 2002.
2. The Panel assessed \$ 100.00 of the forum fees to Claimant Donald Michael Scott-Blair.

3. The Panel assessed \$ 3,350.00 of the forum fees to Respondent Prudential Securities, Inc.

Fee Summary

1. Claimant Donald Michael Scott-Blair is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= \$ 100.00
Total Fees	= \$ 325.00
<u>Less payments</u>	= \$ (975.00)
Refund Due Claimant	= \$ (650.00)

2. Respondent Prudential Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
<u>Forum Fees</u>	= \$ 3,350.00
Total Fees	= \$ 6,450.00
<u>Less payments</u>	= \$(3,100.00)
Balance Due NASD Dispute Resolution	= \$ 3,350.00

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

ARBITRATION PANEL

Jennifer T. Messersmith, Esq.	-	Public Arbitrator, Presiding Chair
Fred T. Kallet	-	Public Arbitrator
Joseph T. Donnantuoni	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Jennifer T. Messersmith, Esq.
Chair, Public Arbitrator

Signature Date

Fred T. Kallet
Public Arbitrator

Signature Date

Joseph T. Donnantuoni
Non-Public Arbitrator

Signature Date

Date of Service

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Arbitration No. 01-02952
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Fred T. Kallet	-	Public Arbitrator
Joseph T. Donnantuoni	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Jennifer T. Messersmith, Esq.
Chair, Public Arbitrator

8/13/02
Signature Date

Fred T. Kallet
Public Arbitrator

Signature Date

Joseph T. Donnantuoni
Non-Public Arbitrator

Signature Date

8/14/02
Date of Service


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Joseph T. Donnamuoni	-	Non-Public Arbitrator

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Chair, Public Arbitrator

Signature | Date



Fred T. Kallet
Public Arbitrator

8/13/02

Signature Date

Joseph T. Donnamuoni
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Signature Date

8/14/02

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Chair, Public Arbitrator

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Public Arbitrator

Signature | Date



Joseph T. Donnanuoni
Non-Public Arbitrator



Signature | Date



Date of Service

NASD



Proof of Service

State of California, County of Los Angeles

I am employed in the county of Los Angeles. I declare that I am over the age of eighteen (18) and not a party to this action. My business address is:

NASD Dispute Resolution

300 South Grand Avenue, Suite 900

Los Angeles, California 90071-3135

On August 14, 2002, I served the following documents described as:

Award, Cover Letters, and Invoice Statement for Arbitration Case No. 01-02952 on the interested parties in this action by placing the true copies thereof enclosed in the sealed envelopes as follows:

Franklin Geerdes, Esq., Geerdes & Geerdes, 328 West Third, Escondido, CA. 92025,
Fax: 760-432-6568

William M. Cassarini, Esq., Prudential Securities Inc., One Seaport Plaza 30th Floor,
New York, NY. 10292-0130, Fax: 212-214-4810

- ☒ I deposited such envelop in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.
- ☐ By Personal Service, I caused such envelope to be delivered by hand to the individuals at the addressee(s) listed.
- ☐ By overnight courier, I caused the above-referenced documents to be delivered to an overnight courier service (Federal Express), for delivery to the above addressees.
- ☒ By facsimile machine, I caused the above-referenced documents to be transmitted to the above-named persons at the numbers above.
- ☒ (STATE) I declare under penalty of perjure under the laws of the State of California that the above is true and correct.
- ☐ (FEDERAL) I declare that I am employed in the office of a member of the bar on this court at whose direction the service was made.

Executed this August 14, 2002, at Los Angeles, California.

Maria P. Medina
Maria P. Medina

Dispute Resolution, Western Regional Office
300 South Grand Avenue, Suite 900
Los Angeles, CA. 90071-3135
213-813-2680 213-613-2677 FAX