
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 02-05788

Dreama M. Waldrop, as Trustee of
the Dreama M. Waldrop Trust UA
DTD 02/29/00, and on behalf of the
Dreama M. Waldrop IRA Rollover
DTD 10/07/99, and as Custodian
for Richard Michael Primer,
Mark S. Waldrop, Individually, and
as Custodian for Jacob S. Waldrop
and William Joel Waldrop

Names of the Respondents

Hearing Site: Tampa, FL

Christopher J. Coloracci
Alex Muscati
Prudential Securities, Inc.

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Dreama M. Waldrop, as Trustee of the Dreama M. Waldrop Trust UA DTD 02/29/00, and on behalf of the Dreama M. Waldrop IRA Rollover DTD 10/07/99, and as Custodian for Richard Michael Primer, Mark S. Waldrop, Individually, and as Custodian for Jacob S. Waldrop and William Joel Waldrop, hereinafter collectively referred to as "Claimants": Scott L. Warfman, Esq., Miami, FL.

For Respondents Christopher J. Coloracci ("Coloracci"), Alex Muscati ("Muscati"), and Prudential Securities, Inc. ("Prudential"), hereinafter collectively referred to as "Respondents": Debra A. Jenks, Esq., Dobin & Jenks, LLP, Jupiter, FL.

CASE INFORMATION

Statement of Claim filed on or about: September 30, 2002.

Claimants signed the Uniform Submission Agreement: September 20, 2002.

Statement of Answer filed by Respondents on or about: December 10, 2002.

Respondent Coloracci signed the Uniform Submission Agreement: November 27, 2002.

Respondent Muscati signed, but did not date, the Uniform Submission Agreement.

Respondent Prudential signed the Uniform Submission Agreement: November 27, 2002.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; breach of fiduciary duty; negligence; material misrepresentations and omissions; and, failure to supervise. The causes of action relate to the purchase of shares of Star Telecommunications, Able Telecom, JDS Uniphase, Cybercash, Inc., and Counsel Corp. stock in Claimants' accounts.

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

RELIEF REQUESTED

Claimants requested compensatory damages, pursuant to Florida Statutes Chapter 517, of \$380,318.00 plus pre- and post-judgment interest, disgorgement of commissions, punitive damages, costs, attorneys' fees pursuant to Florida Statutes Chapter 517, consulting fees, and other and further relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents requested dismissal of the Statement of Claim, attorneys' fees, costs, and expungement of all references to the above-captioned arbitration from Respondent Muscati's registration records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

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, 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:

Claimants' Statement of Claim is dismissed, with prejudice.

Claimants' claims for relief pursuant to Florida Statutes Chapter 517 are denied.

Each party shall pay their own attorneys' fees.

Based upon the evidence and testimony taken at the final hearing, the Panel finds there was no claim asserted by Claimants that could have been supported against Respondent Muscati. Therefore, the Panel recommends the expungement of all references to the above-captioned arbitration from Respondent Muscati's registration records maintained by the NASD CRD, CRD No. 2311373, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Muscati must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, are denied.

FEEES

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 = \$ 300.00

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. Accordingly, Respondent Prudential is a member firm and a party.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were granted during these proceedings for which fees were assessed.

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 assessed during these proceedings.

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 the Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: June 11, 2003	1 session
Five (5) Hearing sessions @ \$1,125.00	= \$ 5,625.00
Hearing Dates: February 24, 2004	2 sessions
February 25, 2004	3 sessions
<hr/> Total Forum Fees	<hr/> = \$ 6,750.00

The Panel has assessed the total forum fees of \$6,750.00 to Respondent Prudential.

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

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Prudential is solely liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 6,750.00
Total Fees	= \$ 11,950.00
Less payments	= \$ 7,950.00
Balance Due NASD Dispute Resolution	= \$ 4,000.00

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

ARBITRATION PANEL

Richard E. Shute	-	Public Arbitrator, Presiding Chairperson
Ronald A. Ronz, CPA	-	Public Arbitrator
Ruth Gordon, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Richard E. Shute
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Ronald A. Ronz, CPA
Public Arbitrator

Signature Date

/s/
Ruth Gordon, CFP
Non-Public Arbitrator

Signature Date

March 5, 2004
Date of Service (For NASD Dispute Resolution office use only)

MAR. 5. 2004 10:13AM NASD BOCA RATON

NO. 273 P. 5

NASD Dispute Resolution

Arbitration No. 02-05788

Award Page 4 of 4**Fee Summary**

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Respondent Prudential is solely liable for:

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Richard E. Shute
Public Arbitrator, Presiding Chairperson

3/5/04
Signature Date

Ronald A. Ronz, CPA
Public Arbitrator

Signature Date

Ruth Gordon, CFP
Non-Public Arbitrator

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NASD Dispute Resolution

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Award Page 4 of 4

NO. 273

P. 5

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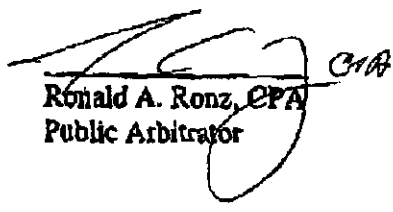
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Signature Date

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3/5/04

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