

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Richard Hadar, Olga Bagnasco Hadar, Richard Hadar Insurance Trust, Richard Hadar Family, LLC, Richard Hadar CLAT, The J-Trust, Hadar Retained Income Trust, and Hadar Foundation (Claimants) v. Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. and Bruce Arnold Pomerantz (Respondents)

Case Number: 02-06418

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants Richard Hadar ("R. Hadar"), Olga Bagnasco Hadar ("O. Hadar"), Richard Hadar Insurance Trust ("Hadar Insurance Trust"), Richard Hadar Family LLC ("Hadar Family LLC"), Richard Hadar CLAT ("R. Hadar CLAT"), The J-Trust, ("J-Trust"), Hadar Retained Income Trust ("Income Trust"), and Hadar Foundation ("Hadar Foundation") hereinafter collectively referred to as "Claimants": Thomas J. Fleming, Esq., Olshan Grundman Frome Rosenzweig & Wolosky, LLP, New York, NY.

Respondents Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. ("Prudential") and Bruce Arnold Pomerantz ("Pomerantz") hereinafter collectively referred to as "Respondents": Mario Aieta, Esq., Garvey Schubert Barer, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 24, 2002.

R. Hadar signed the Uniform Submission Agreement: November 4, 2002.

O. Hadar signed the Uniform Submission Agreement: November 4, 2002.

Hadar Insurance Trust signed the Uniform Submission Agreement: October 23, 2002.

Hadar Family LLC signed the Uniform Submission Agreement: November 4, 2002.

R. Hadar CLAT signed the Uniform Submission Agreement: November 4, 2002.

J-Trust signed the Uniform Submission Agreement: November 4, 2002.

Income Trust signed the Uniform Submission Agreement: November 4, 2002.

Hadar Foundation signed the Uniform Submission Agreement: November 4, 2002.

Joint Statement of Answer filed by Respondents on or about: January 7, 2003.

Prudential did not sign the Uniform Submission Agreement.

Pomerantz did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of duty of care; failure to execute; breach of fiduciary duty; and failure to properly liquidate Claimants' accounts. Claimants' claims involved shares of common stock and mutual funds.

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 in the amount of \$400,000.00; forum and hearing costs and expenses; and such other and further relief as the Arbitration Panel may deem just and proper.

Respondents requested an award dismissing Claimants' case with prejudice; costs; forum fees and attorneys' fees; and order of the Panel expunging all references to the instant claims from the NASD record of Respondent Pomerantz; and such other relief as justice requires.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

Respondents moved to dismiss the claims of the Insurance Trust for lack of standing. After due consideration, the Panel denied the motion.

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, and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Hadar Family, LLC compensatory damages in the amount of \$13,149.00, plus interest at a rate of 9% per annum from March 1, 2001 through date of payment of the award.

2. Respondents are jointly and severally liable for and shall pay to R. Hadar CLAT compensatory damages in the amount of \$22,577.00, plus interest at a rate of 9% per annum from March 1, 2001 through date of payment of the award.
3. Respondents are jointly and severally liable for and shall pay to the J-Trust compensatory damages in the amount of \$20,321.00, plus interest at the rate of 9% per annum from March 1, 2001 through date of payment of the award.
4. Any and all relief not specifically addressed herein is denied.
5. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Bruce Pomerantz's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Pomerantz must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.

FEES

Pursuant to 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
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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 at the time of the events giving rise to the dispute. Accordingly, Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: October 21, 2003 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$ 1,125.00
Pre-hearing conference: July 11, 2003 1 session

Eight (8) Hearing sessions @ \$1,125.00 = \$ 9,000.00
Hearing Dates: February 2, 2004 2 sessions
February 3, 2004 2 sessions
February 4, 2004 2 sessions
February 5, 2004 2 sessions

Total Forum Fees = \$10,575.00

1. The Panel has assessed \$5,287.50 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$5,287.50 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$5,287.50
Total Fees	= \$5,587.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$4,162.50

2. Prudential is solely liable for:

<u>Member Fees</u>	<u>= \$5,200.00</u>
Total Fees	= \$5,200.00
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$5,287.50</u>
Total Fees	= \$5,287.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$5,287.50

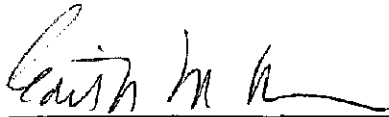
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Edith M. Novack, Esq.	-	Public Arbitrator, Presiding Chair
Richard Harbus, Esq.	-	Public Arbitrator
Ruth Heisler	-	Non-Public 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.



Edith M. Novack, Esq.
Public Arbitrator, Presiding Chairperson

3/3/04

Signature Date

Richard Harbus, Esq.
Public Arbitrator

Signature Date

Ruth Heisler
Non-Public Arbitrator

Signature Date

March 16, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

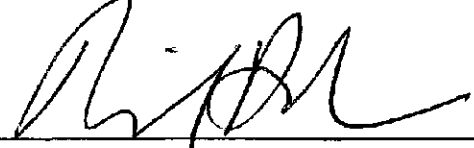
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Public Arbitrator

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