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**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants  
Sandra Hernandez-Pineda  
Natalia Blandon

Case Number: 03-00881

Names of the Respondents  
Prudential Securities, Inc.  
Santiago Copello

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Sandra Hernandez-Pineda and Natalia Blandon., hereinafter referred to as "Claimants": Adam H. Smith, Esq., Adam H. Smith, P.A., Boca Raton, Florida.

For Prudential Securities, Inc. ("PSI") and Santiago Copello ("Copello") hereinafter referred to as "Respondents": Craig Stein, Esq., Stein, Rosenberg, Stein, Boca Raton, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: January 28, 2003.

Claimants signed the Uniform Submission Agreement: January 30, 2003.

Statement of Answer filed by Respondents on or about: May 16, 2003.

Respondents did not file signed Uniform Submission Agreements.

Motion for Order to Prohibit Interference and Mandating Authorization from Claimants filed by Respondents on or about: February 24, 2005.

Response to Motion for Order to Prohibit Interference and Mandating Authorization from Claimants filed by Claimants on or about: March 11, 2005.

Emergency Motion for Sanctions filed by Claimants on or about: March 17, 2005.

Response to Emergency Motion for Sanctions filed by Respondents on or about: March 22, 2005.

Reply to Response to Emergency Motion for Sanctions filed by Claimants on or about; March 22, 2005.

Response to Claimants' Reply to Response to Emergency Motion for Sanctions filed by Respondents on or about: March 24, 2005.

**CASE SUMMARY**

Claimants asserted the following causes of action: 1) negligent supervision; 2) breach of fiduciary duty; 3) violation of Florida Statutes, Chapter 517.301; and, 4) breach of contract. The causes of

action relate to the purchase of various unspecified securities and the use of margin in Claimants' account.

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 \$270,000.00, pre-judgment interest at the legal rate, costs, punitive damages, attorney's fees and any other relief the Panel deemed just and appropriate.

Respondents requested that the Statement of Claim be dismissed in its entirety, with prejudice, that the Panel assess all costs against Claimants, a determination that they are the prevailing parties with respect to the allegations under Florida Statute, Chapter 517 and an award of costs and disbursements, including legal fees and charges and such other relief as the Panel deemed just. In addition, Respondents' requested that the Panel enter an order expunging this matter from the NASD Central Registration Depository (the "CRD") record of Respondent Copello.

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

Respondents did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

On March 18, 2005, the Panel issued an Order that granted Respondents Motion for Order to Prohibit Interference and Mandating Authorization from Claimants.

On March 29, 2005, the Panel issued an Order that stated that if previously ordered discovery is not produced and if a party has to file another motion regarding discovery, the party or parties failing to provide discovery documents will be sanctioned monetarily in an amount no less than \$1,000.00.

On or about September 29, 2006, the parties advised NASD Dispute Resolution that this matter had settled, and further submitted a dismissal, with prejudice, as to Respondent Copello. Pursuant to this notification NASD Dispute Resolution closed this case on October 6, 2006.

On or about October 9, 2006, the parties submitted to NASD Dispute Resolution a request to re-open this matter for the purpose of submitting a proposed Stipulated Award with a request for the expungement of the NASD CRD record of Respondent Copello.

On or about December 4, 2006, the parties submitted to NASD Dispute Resolution a proposed Stipulated Award with a request for expungement of the NASD CRD record of Respondent Copello.

On December 21, 2006, the Panel issued an Order that granted the request to re-open this matter

and granted Respondent Copello's request for expungement of his NASD CRD record.

The parties have agreed that the Stipulated Award in this matter may be entered in counterpart copies or that a signed handwritten Stipulated Award may be entered.

### **AWARD**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

Pursuant to the agreement between Claimants and Respondents, Claimants' claims are hereby dismissed.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Copello's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Copello 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 relief pursuant to violation of Florida Statutes, Chapter 517.301 and Respondents' request for legal fees, are denied.

### **FEES**

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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent PSI is a party to this dispute and was a member of NASD at the time the following fees were assessed:

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

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter for which fees were assessed.

**Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No cancellation fees were assessed 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 during this proceeding.

**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:

Two (2) Pre-hearing sessions with the Panel @ \$1,125.00		= \$2,250.00
Pre-hearing conferences: September 24, 2003	1 session	
December 5, 2005	1 session	
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Total Forum Fees		= \$2,250.00

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Claimants.

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Respondents.

**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
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 1,425.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent PSI is solely liable for:

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

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 1,125.00
<u>Total Fees</u>	= \$ 1,125.00
<u>Less payments</u>	= \$ 1,125.00
Balance Due NASD Dispute Resolution	= \$ .00

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

**ARBITRATION PANEL**

Howard N. Kahn, Esq.	-	Public Arbitrator, Presiding Chairperson
Stuart M. Rapee, Esq.	-	Public Arbitrator
Howard I. Ralby	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
Howard N. Kahn, Esq.  
Public Arbitrator, Presiding Chairperson

12/26/06  
Signature Date

/s/  
Stuart M. Rapee, Esq.  
Public Arbitrator

12/23/06  
Signature Date

/s/  
Howard I. Ralby  
Non-Public Arbitrator

12/26/06  
Signature Date

12/26/06  
Date of Service (For NASD Dispute Resolution office use only)

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- Public Arbitrator  
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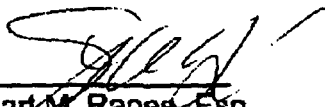
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Stuart M. Rapee, Esq.  
Public Arbitrator

23 Dec 06  
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Signature Date

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