

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

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In the Matter of the Arbitration Between:

Carol J. Cecala (Claimant) v. Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. and Brian J. Buzak (Respondents)

Case Number: 03-00936

Hearing Site: Buffalo, New York

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

**REPRESENTATION OF PARTIES**

Claimant Carol J. Cecala ("Cecala") hereinafter referred to as "Claimant": Richard C. Engel, Esq., Engel & Engel, Syracuse, NY.

Respondents Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. ("PSI") and Brian J. Buzak ("Buzak") hereinafter collectively referred to as "Respondents": Matthew D. Parrot, Esq., Katten Muchin Zavis Rosenman, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: February 4, 2003.

Claimant signed the Uniform Submission Agreement: January 28, 2003.

Joint Statement of Answer filed by Respondents on or about: April 17, 2003.

PSI did not sign the Uniform Submission Agreement.

Buzak did not sign the Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: unsuitable recommendations; breach of fiduciary duty; failure to supervise; unauthorized trading; state statutory violations and common law. Claimant's claim involved Van Kampen Aggressive Growth Internet stocks as well as other unspecified stocks.

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

**RELIEF REQUESTED**

Claimant requested compensatory damages of approximately \$214,000.00, plus lost commissions, margin interest, market-adjusted damages, punitive damages, attorneys' fees, and such other and further relief as may be just and proper.

Respondents requested that Claimant's claims be dismissed in their entirety.

**OTHER ISSUES CONSIDERED AND DECIDED**

Respondent 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.

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 the Claimant compensatory damages in the amount of \$84,247.00, plus interest at the statutory rate in New York State beginning September 1, 2001 through the date of payment of the award.
2. Any and all relief not specifically addressed herein, including attorneys' fees and punitive damages, is denied.

**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. 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 Panel @ \$1,125.00 = \$1,125.00

Pre-hearing conference: September 11, 2003 1 session

Six (6) Hearing sessions @ \$1,125.00 = \$6,750.00

Hearing Dates: December 2, 2003 2 sessions  
December 3, 2003 2 sessions  
December 4, 2003 2 sessions

Total Forum Fees = \$7,875.00

1. The Panel has assessed \$1,968.75 of the forum fees against Claimant.
2. The Panel has assessed \$5,906.25 of the forum fees jointly and severally against Respondents.

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= <u>\$1,968.75</u>
Total Fees	= \$2,268.75
<u>Less payments</u>	= <u>\$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$ 843.75

2. PSI 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>\$5,906.25</u>
Total Fees	= \$5,906.25
<u>Less payments</u>	= <u>\$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$5,906.25

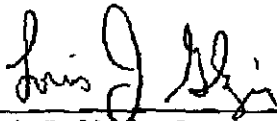
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Louis J. Glazier, Esq.	-	Public Arbitrator, Presiding Chair
Robert C. Pringle	-	Public Arbitrator
Richard A. Scalfani	-	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.



Louis J. Glazier, Esq.  
Public Arbitrator, Presiding Chairperson

12/19/03

Signature Date

Robert C. Pringle  
Public Arbitrator

Signature Date

Richard A. Scalfani  
Non-Public Arbitrator

Signature Date

December 23, 2003

Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

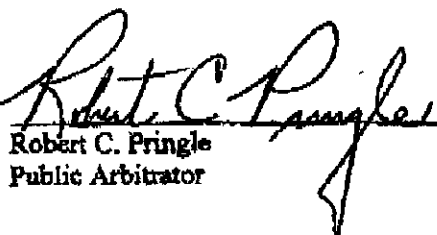
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Louis J. Glazier, Esq.  
Public Arbitrator, Presiding Chairperson

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Signature Date

  
Robert C. Pringle  
Public Arbitrator

12/22/03  
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Signature Date

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Richard A. Scalfani  
Non-Public Arbitrator

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Signature Date

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