
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Ronald Summers
Peter McLaughlin

Case Number: 03-00983

Names of the Respondents

Prudential Securities, Inc.
Joseph Grippi

Hearing Site: Boca Raton, FL

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

REPRESENTATION OF PARTIES

For Ronald Summers and Peter McLaughlin, hereinafter collectively referred to as "Claimants":
Delmer C. Gowing, III, Esq., Delray Beach, FL.

For Respondents Prudential Securities, Inc. ("PSI") and Joseph Grippi ("Grippi"), hereinafter collectively referred to as "Respondents": Allan H. Weitzman, Esq., Proskauer Rose LLP, Boca Raton, FL.

CASE INFORMATION

Statement of Claim filed on or about: February 10, 2003.

Reply to Answer filed by Claimants on or about: May 21, 2003.

Claimants signed the Uniform Submission Agreement: January 31, 2003.

Statement of Answer filed by Respondents on or about: May 14, 2003.

Respondent PSI signed the Uniform Submission Agreement: April 23, 2003.

Respondent Grippi signed the Uniform Submission Agreement: June 19, 2003.

CASE SUMMARY

Claimants asserted the causes of action of libel and malicious libel in each Claimant's U-5. The causes of action relate to the termination of Claimants' employment with Respondent PSI.

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 of \$900,000.00, punitive damages of \$1,800,000.00, attorneys' fees, expungement, and costs.

Respondents requested dismissal of the Statement of Claim, attorneys' fees, and costs.

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 undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondent PSI is liable for libel and malicious libel and shall pay to Claimant Summers compensatory damages in the sum of \$480,000.00, pre-judgment interest specifically excluded.

Respondent PSI is liable for libel and malicious libel and shall pay to Claimant McLaughlin compensatory damages in the sum of \$45,000.00, pre-judgment interest specifically excluded.

The Panel recommends the expungement of the termination comment from the Forms U5 filed with the NASD Central Registration Depository ("CRD") by Prudential Securities Incorporated (CRD 7471) on behalf of Ronald Summers (CRD 1388090) and Peter McLaughlin (CRD 1230623). The reason for termination on the Forms U5 should remain as "discharge." Replacement language for the termination comment is "terminated due to branch office closing." The expungement recommendations are based on the defamatory nature of the information contained in Claimants' CRD records maintained by NASD's CRD.

Claimants' claims against Respondent Grippi are dismissed, with prejudice.

Claimants' and Respondents' requests for attorneys' fees are denied.

Respondent PSI is liable and shall pay to Claimants the sum of \$500.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, 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 = \$ 500.00

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 PSI is a member firm and a party.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$ 5,000.00</u>
Total Member Fees	= \$ 8,550.00

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 a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: February 19, 2004 1 session	
One (1) Pre-hearing session with the Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: December 5, 2003 1 session	
Six (6) Hearing sessions @ \$1,200.00	= \$ 7,200.00
Hearing Dates: June 8, 2004 2 sessions	
June 9, 2004 2 sessions	
June 10, 2004 2 sessions	
<u>Total Forum Fees</u>	<u>= \$ 8,850.00</u>

The Panel has assessed the total forum fees of \$8,850.00 to Respondent PSI.

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:

<u>Initial Filing Fee</u>	= \$ 500.00
<u>Total Fees</u>	= \$ 500.00
<u>Less payments</u>	= \$ 500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent PSI is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 8,850.00
<u>Total Fees</u>	= \$17,400.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 8,850.00

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

ARBITRATION PANEL

Monica I. Salis, Esq.	-	Public Arbitrator, Presiding Chairperson
Herbert Branitsky, Esq.	-	Public Arbitrator
John E. Hiro	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Monica I. Salis, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Herbert Branitsky, Esq.
Public Arbitrator

Signature Date

/s/
John E. Hiro
Non-Public Arbitrator

Signature Date

July 19, 2004

Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
 Arbitration No. 03-00983
Award Page 4 of 4

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Total Fees	= \$ 500.00
Less payments	= \$ 500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent PSI is solely liable for:

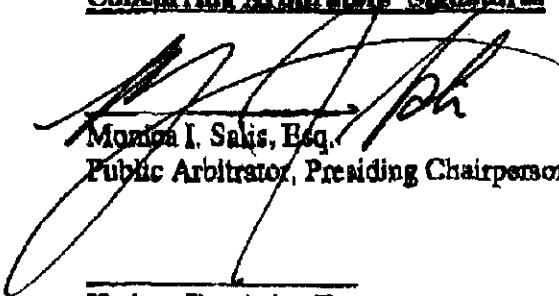
Member Fees	= \$ 8,550.00
Forum Fees	= \$ 8,850.00
Total Fees	= \$17,400.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 8,850.00

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

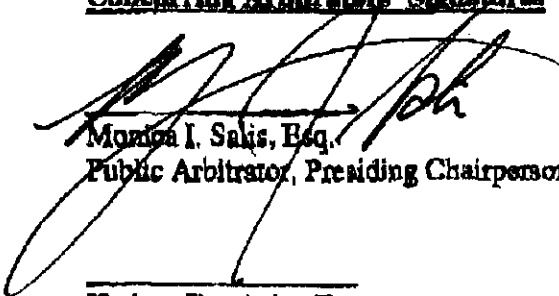
ARBITRATION PANEL

Monica I. Salis, Esq.	-	Public Arbitrator, Presiding Chairperson
Herbert Brantisky, Esq.	-	Public Arbitrator
John E. Hiro	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


 Monica I. Salis, Esq.
 Public Arbitrator, Presiding Chairperson

7/19/04
 Signature Date


 Herbert Brantisky, Esq.
 Public Arbitrator

Signature Date


 John E. Hiro
 Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

JUL 16. 2004 3:47PM NASD BOCA RATON

NO. 092 P. 5

NASD Dispute Resolution

Arbitration No. 03-00983

Award Page 4 of 4**Fee Summary**

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Total Fees	= \$ 500.00
Less payments	= \$ 500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent PSI is solely liable for:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 8,850.00
Total Fees	= \$17,400.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 8,850.00

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

ARBITRATION PANEL

Monica L. Salis, Esq.	-	Public Arbitrator, Presiding Chairperson
Herbert Branitsky, Esq.	-	Public Arbitrator
John E. Hiro	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Monica L. Salis, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Herbert Branitsky, Esq.
Public Arbitrator

7/19/04
Signature Date

John E. Hiro
Non-Public Arbitrator

Signature Date_____
Date of Service (For NASD Dispute Resolution office use only)



JUL 19 2004 3:41PM NASD BOCA RATON

NO. 121 P. 5

NASD Dispute Resolution

Arbitration No. 03-00983

Award Page 4 of 4

561-361-4306

Fee Summary

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 500.00
<u>Total Fees</u>	= \$ 500.00
<u>Less payments</u>	= \$ 500.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondent PSI is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
<u>Forum Fees</u>	= \$ 8,850.00
<u>Total Fees</u>	= \$17,400.00
<u>Less payments</u>	= \$ 8,550.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 8,850.00

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

ARBITRATION PANEL

Monica I. Salis, Esq.	-	Public Arbitrator, Presiding Chairperson
Herbert Branitsky, Esq.	-	Public Arbitrator
John E. Hlro	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Monica I. Salis, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Herbert Branitsky, Esq.
Public Arbitrator

Signature Date



John E. Hlro
Non-Public Arbitrator

7/15/04

Signature Date

Date of Service (For NASD Dispute Resolution office use only)