
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-03430

Lori Ransohoff, Individually and as Trustee
of the Joseph Ransohoff Pension Trust Special,
as Trustee for the Jade I. Ransohoff Trust,
as Trustee for the Jack C. Ransohoff Trust and
as Trustee of the Ransohoff Pension Trust

Names of the Respondents

Hearing Site: Tampa, FL

Southern Portfolio Advisors, Inc.
Southern Capital Enterprises, Inc.
Louis Tilchin
Steven E. Hutek

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

REPRESENTATION OF PARTIES

For Lori Ransohoff, Individually and as Trustee of the Joseph Ransohoff Pension Trust Special, as Trustee for the Jade I. Ransohoff Trust, as Trustee for the Jack C. Ransohoff Trust, and as Trustee of the Ransohoff Pension Trust, hereinafter collectively referred to as "Claimants": Robert Persante, Esq., Persante & McCormack, P.A., Clearwater, FL.

For Respondent Steven E. Hutek ("Hutek"): Clifford J. Hunt, Esq., Kiefner & Hunt, P.A., St. Petersburg, FL.

For Respondents Southern Portfolio Advisors, Inc. ("SPA") and Southern Capital Enterprises, Inc. ("SCE"): Steven E. Hutek, President, SPA and SCE, Tampa, FL.

For Respondent Louis Tilchin ("Tilchin"): Nancy Faggianelli, Esq. and Mac McCoy, Esq., Carlton, Fields, P.A., Tampa, FL.

Respondents Hutek, SPA, SCE, and Tilchin are hereinafter collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: May 9, 2003.

Claimants signed the Uniform Submission Agreement: June 2, 2003.

Statement of Answer filed by Respondent Tilchin on or about: August 12, 2003.

Respondent Tilchin signed the Uniform Submission Agreement: March 9, 2005.

Statement of Answer filed by Respondent Hutek on or about: September 12, 2003.

Respondent Hutek signed the Uniform Submission Agreement: September 12, 2003.

Respondent SPA signed the Uniform Submission Agreement: September 15, 2003.

Claimants' Motion for Default Against Southern Capital and Southern Portfolio ("Motion for Default") filed on or about: July 7, 2004.

Steven Hutek's Objection to Claimants' Motion for Default filed on or about: July 19, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary; negligence; and, fraud. The causes of action relate to the purchase of unspecified securities in Claimants' accounts.

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

RELIEF REQUESTED

Claimants requested compensatory damages of \$3,502,251.00, pre- and post-judgment interest, costs, and such other and further relief as the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent Tilchin requested dismissal of the Statement of Claim.

Respondent Hutek requested dismissal of the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

On or about August 4, 2004, the Panel issued an order which denied Claimants' Motion for Default.

Respondent SCE did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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:

Respondents Tilchin and Hutek are liable, jointly and severally, for breach of fiduciary duties and negligence and shall pay to Claimants compensatory damages in the sum of \$200,000.00, pre-judgment interest specifically excluded.

Claimants' claims against Respondents SPA and SCE are dismissed, with prejudice.

Any and all claims for relief not specifically addressed herein are 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 = \$ 600.00

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, Pruco Securities, LLC employed Respondent Tilchin at the time of the events giving rise to the dispute.

Member surcharge = \$2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

September 21-24, 2004, adjournment requested by all parties. = \$1,000.00

The Panel waived assessment of the adjournment fee.

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 three-day cancellation fees were assessed during these proceedings.

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 @ \$1,200.00/session = \$1,200.00

Pre-hearing conference: December 29, 2003 1 session

Six (6) Hearing sessions with the Panel @ \$1,200.00/session = \$7,200.00

Hearing Dates: March 8, 2005 2 sessions

March 9, 2005 2 sessions

March 10, 2005

2 sessions

Total Forum Fees = \$8,400.00

The Panel assessed \$4,200.00 of the forum fees jointly and severally to Claimants.

The Panel assessed \$4,200.00 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 are 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 these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 4,200.00</u>
Total Fees	= \$ 4,800.00
<u>Less payments</u>	<u>= \$ 1,800.00</u>
Balance Due NASD Dispute Resolution	= \$ 3,000.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 4,200.00
Total Fees	= \$ 4,200.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,200.00

Pruco Securities, LLC is solely liable for:

<u>Member Fees</u>	<u>= \$ 8,550.00</u>
Total Fees	= \$ 8,550.00
<u>Less payments</u>	<u>= \$ 4,450.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,100.00

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

ARBITRATION PANEL

Donald M. Macdonald	-	Public Arbitrator, Presiding Chairperson
Thomas R. Carlsen	-	Public Arbitrator
William R. Turner	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Donald M. Macdonald
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Thomas R. Carlsen
Public Arbitrator

Signature Date

/s/
William R. Turner
Non-Public Arbitrator

Signature Date

March 11, 2005
Date of Service (For NASD Dispute Resolution use only)



NASD Dispute Resolution

Arbitration No. 03-03430

NO. 388 P. 6

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Concurring Arbitrators' Signatures

Donald M. Macdonald
Public Arbitrator, Presiding Chairperson

03/11/2005
Signature Date

Thomas R. Carlsen
Public Arbitrator

Signature Date

William R. Turner
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

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Donald M. Macdonald

Public Arbitrator, Presiding Chairperson

Signature Date


Thomas R. Carlsen
Public Arbitrator

3-11-05
Signature Date

William R. Turner

Non-Public Arbitrator

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Donald M. Macdonald
Public Arbitrator, Presiding Chairperson

Signature Date

Thomas R. Carlsen
Public Arbitrator

Signature Date

William R. Turner
William R. Turner
Non-Public Arbitrator

3/11/05
Signature Date

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