

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

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In the Matter of the Arbitration Between:

Name of the Claimant

Dr. Howard E. Zucker  
Dr. Howard E. Zucker, IRA

Case Number: 03-06319

Names of the Respondents

Prudential Securities, Incorporated  
Michael Sandberg  
Lawrence Margolin

Hearing Site: Tampa, Florida

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

**REPRESENTATION OF PARTIES**

For Dr. Howard E. Zucker and Dr. Howard E. Zucker, IRA, hereinafter referred to as "Claimant": Eduardo Rodriguez, Esq., Hooper & Weiss, L.L.C., Orlando, Florida.

For Prudential Securities, Incorporated ("Prudential"), Michael Sandberg ("Sandberg") and Lawrence Margolin ("Margolin"), hereinafter collectively referred to as "Respondents": Christopher Lewis, Esq., Duane Morris, New York, New York.

**CASE INFORMATION**

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

Claimant signed the Uniform Submission Agreement: July 1, 2003.

Statement of Answer filed by Respondents on or about: December 1, 2003.

Respondent Prudential signed the Uniform Submission Agreement: February 11, 2004.

Respondents Sandberg and Margolin signed the Uniform Submission Agreements: February 9, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: unsuitability; breach of contract; breach of fiduciary duty; common law fraud; violations of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934; violations of SRO rules; negligence; failure to supervise; and, respondeat superior. The causes of action relate to Claimant's investments in unspecified mutual funds and annuities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief can be granted and failure to meet burden of proof.

**RELIEF REQUESTED**

Claimant requested compensatory damages of not less than \$380,990.73; disgorgement of all

commissions, fees and other charges paid by Claimant to Respondents; interest; punitive damages; attorneys' fees and the costs and expenses of this proceeding; and such other and further relief as the arbitration panel deemed just and proper.

Respondents requested an award dismissing the Claim in its entirety with prejudice, an order expunging all references to this matter from the Central Registration Depository ("CRD") records of Respondents Sandberg and Margolin and an award of attorneys' fees and costs.

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

On or about March 3, 2004, Claimant filed with NASD Dispute Resolution a Notice of Voluntary Dismissal With Prejudice with respect to Respondent Margolin.

On or about January 17, 2005, Claimant filed with NASD Dispute Resolution a Notice of Voluntary Dismissal With Prejudice with respect to Respondent Sandberg.

On or about January 18, 2005, Claimant advised NASD Dispute Resolution that the parties fully and finally settled all claims by and between them. Therefore, the parties submitted this Stipulated Award to the arbitration panel for its consideration and requested that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

### **AWARD**

After considering the pleadings, and the record in this matter, the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

The listed parties have amenablely resolved their differences and have requested this Stipulated Award;

All claims are hereby dismissed with prejudice;

Respondents' counterclaims are denied;

Each party shall bear their respective costs, including forum fees and attorneys' fees;

The Panel recommends the expungement of all references to the above captioned arbitration from Respondents Sandberg and Margolin's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Sandberg and Margolin must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and,

All other relief not expressly granted is 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

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

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

#### **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 incurred 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 in this matter.

#### **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 @ \$1,125.00	= \$1,125.00
Pre-hearing conference: February 20, 2004	1 session

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Total Forum Fees = \$1,125.00

The Panel has assessed \$562.50 of the forum fees to Claimant.

The Panel has assessed \$562.50 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 in this matter.

**FEE SUMMARY**

Claimant is solely liable for:

Initial Filing Fee	= \$300.00
Forum Fees	= \$562.50
Retained Hearing Session Deposit	= \$562.50

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Total Fees	= \$1,425.00
Less payments	= \$1,425.00

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Balance Due NASD Dispute Resolution	= \$0.00
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Respondent Prudential is solely liable for:

Member Fees	= \$5,200.00
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Total Fees	= \$5,200.00
Less payments	= \$5,200.00

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Balance Due NASD Dispute Resolution	= \$0.00
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Respondents are jointly and severally liable for:

Forum Fees	= \$562.50
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Total Fees	= \$562.50
Less payments	= \$562.50

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Balance Due NASD Dispute Resolution	= \$0.00
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**ARBITRATION PANEL**

Ian S. Greig	-	Public Arbitrator, Presiding Chair
Richard Hoffman, CFP	-	Public Arbitrator
Philip Mark Stein, CFP	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/S/\_\_\_\_\_  
Ian S. Greig  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_/S/\_\_\_\_\_  
Richard Hoffman, CFP  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_/S/\_\_\_\_\_  
Philip Mark Stein, CFP  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

May 13, 2005

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

**ARBITRATION PANEL**

Ian S. Greig

Richard Hoffman, CFP

Philip Mark Stein, CFP

- Public Arbitrator, Presiding Chair

- Public Arbitrator

- Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

  
\_\_\_\_\_  
Ian S. Greig

Public Arbitrator, Presiding Chair

  
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5/7/05.  
Signature Date

\_\_\_\_\_  
Richard Hoffman, CFP  
Public Arbitrator

\_\_\_\_\_  
Signature Date

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Ian S. Greig  
Public Arbitrator, Presiding Chair

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Signature Date

  
Richard Hoffman, CFP  
Public Arbitrator

5/9/05  
Signature Date

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Philip Mark Stein, CFP  
Non-Public Arbitrator

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NASD Dispute Resolution

Arbitration No. 03-06319

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Signature Date

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Public Arbitrator

Signature Date



Philip Mark Stein, CFP

Non-Public Arbitrator

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Signature Date

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