

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Harry and Barbara Kaczmarek (Claimants) v. Prudential Securities, Inc., Wachovia Securities, LLC and Joseph Reedy (Respondents)

Case Number: 04-01824

Hearing Site: Buffalo, New York

Nature of the Dispute: Customers v. Members and Associated Person

REPRESENTATION OF PARTIES

Claimants Harry and Barbara Kaczmarek hereinafter collectively referred to as "Claimants": Joanne A. Schultz, Esq., Williamsville, NY.

Respondents Prudential Securities, Inc. ("Prudential") and Joseph Reedy ("Reedy"): Mark G. Vaughan, Esq., Law Office of Joseph D'Elia, Huntington, NY.

Respondent Wachovia Securities, LLC ("Wachovia"): Kevin B. Hurley, Esq., Wachovia Securities, LLC, Richmond, VA.

CASE INFORMATION

Statement of Claim filed on or about: March 12, 2004.

Claimants signed the Uniform Submission Agreement: March 9, 2004.

Statement of Answer filed by Respondents Prudential and Reedy on or about: July 13, 2004.

Respondent Prudential signed the Uniform Submission Agreement: May 27, 2004.

Respondent Reedy signed the Uniform Submission Agreement: June 9, 2004.

Respondent Wachovia did not make an appearance in this matter but Claimants have withdrawn all claims against it as it was not a proper party to this arbitration.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of duty; violations of federal and state securities laws; state consumer protection laws; breach of fiduciary duty; and violations of the rules and regulations of the NASD. The causes of action relate to unspecified common stock.

Unless specifically admitted in their Answer, Respondent Prudential and Reedy denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative

defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$100,000.00; lost opportunity costs; pre-judgment interest at the rate of nine percent (9%) per annum; punitive damages in an amount to be determined by the arbitrators, such damages being awarded to punish Respondents for their wrongful conduct and deter Respondents and others from engaging in such conduct in the future; damages relating to Claimants' costs, expenses, and disbursements, including reasonable attorneys' fees, pursuant to §349 of the General Business Law, in pursuing this arbitration proceeding; and for such other and further relief as the Arbitration Panel deems just and proper.

Respondent Prudential and Reedy requested dismissal of the Statement of Claim in its entirety and that the Panel order that this matter be expunged from the CRD records of Respondent Reedy and require Claimants to pay all applicable fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about June 2, 2004 Claimants withdrew their claims against Respondent Wachovia because they were not a proper party to this arbitration.

On or about August 9, 2005, Claimants' claims against Respondent Reedy were dismissed with prejudice

By letter dated August 17, 2005, the Parties notified NASD Dispute Resolution that they had settled all claims, pursuant to which Claimants received payment in the amount of \$12,000.00 from Respondent Prudential.

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

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:

1. The listed Parties have amenablely resolved their differences and have requested this Stipulated Award;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Joseph Reedy's registration records maintained by the

NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Joseph Reedy must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.

3. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically described below; and
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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	= \$ 225.00
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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. In this matter, the member firm Prudential Securities, Inc. is a party.

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	= \$ 1,700.00
Total Member Fees	= \$ 3,550.00

Adjournment Fees

The following adjournment fees are assessed:

May 24-26, 2005, adjournment requested by Respondents Prudential and Reedy	= \$ 750.00
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Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the Panel @ \$750.00	= \$ 750.00
<u>Pre-hearing conference: October 13, 2004 1 session</u>	
Total Forum Fees	= \$ 750.00

1. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimants have been assessed \$375.00 of the forum fees.
2. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent Prudential has been assessed \$375.00 of the forum fees.

Fee Summary

1. Claimants are solely liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 375.00
Total Fees	= \$ 600.00
<u>Less payments</u>	= \$ 995.00
Refund Due Claimants	= \$ 395.00

2. Respondent Prudential is solely liable for:

Member Fees	= \$ 3,550.00
Forum Fees	= \$ 375.00
Total Fees	= \$ 3,925.00
<u>Less payments</u>	= \$ 3,550.00
Balance Due NASD Dispute Resolution	= \$ 375.00

3. Respondents Prudential and Reedy are jointly and severally liable for:

Adjournment Fees	= \$ 750.00
Total Fees	= \$ 750.00
<u>Less payments</u>	= \$ 750.00
Balance Due NASD Dispute Resolution	= \$ 0.00


All balances are due and payable to NASD Dispute Resolution.

ARBITRATION PANEL

Thomas E. Webb, Jr., Esq.	-	Public Arbitrator, Presiding Chair
Christopher C. Willett, Esq.	-	Public Arbitrator
Keith A. Maier, CFP	-	Industry 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 is which is my award.



Thomas E. Webb, Jr., Esq.
Public Arbitrator, Presiding Chair

3/13/06

Signature Date

Christopher C. Willett, Esq.
Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Keith A. Maier, CFP
Industry Arbitrator

Signature Date

March 17, 2006

Date of Service (For NASD office use only)

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Signature Date



Christopher C. Willett, Esq.
Public Arbitrator

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Signature Date

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Industry Arbitrator

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