

**Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Names of the Claimants  
William C. and Alice Van Sciver

Case Number: 04-04941

Names of the Respondents  
Wachovia Securities, LLC  
Prudential Equity Group, LLC  
Walter J. McCormac  
Stanley P. Hadam

Hearing Site: Philadelphia, PA

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Nature of the Dispute: Customers vs. Members and Associated Persons

**REPRESENTATION OF PARTIES**

Claimants, William C. and Alice Van Sciver, hereinafter collectively referred to as "Claimants", were represented by Martin Mushkin, Esq., Law Offices of Martin Mushkin, New York, New York.

Respondents, Wachovia Securities, LLC ("Wachovia"), Prudential Equity Group, LLC ("Prudential"), Walter J. McCormac ("McCormac") and Stanley P. Hadam ("Hadam"), were represented by David T. Garnes, Esq., Stradley Ronon Stevens & Young, LLP, Cherry Hill, New Jersey.

**CASE INFORMATION**

Statement of Claim filed on July 12, 2004.

Claimants signed the Uniform Submission Agreement on June 25, 2004.

Joint Statement of Answer filed by Respondents Prudential, McCormac and Hadam, on September 27, 2004.

A representative of Respondent Prudential signed the Uniform Submission Agreement on December 1, 2004.

Respondent McCormac signed the Uniform Submission Agreement on December 1, 2004.

Respondent Hadam signed the Uniform Submission Agreement on December 1, 2004.

**CASE SUMMARY**

Claimants asserted the following causes of action among others: breach of contract; negligence; failure to supervise; execution price; failure to execute; breach of fiduciary duty; unauthorized trading; and suitability. The causes of action relate to the purchase and sale of equities, bonds, mortgage-backed securities, and money market funds.

Unless specifically admitted in its Answer, Respondents Prudential, McCormac and Hadam denied the allegations made in the Statement of Claim and asserted the following defenses among others: estoppel; laches, ratification; failure to mitigate; and, statutes of limitation.

### **RELIEF REQUESTED**

Claimants requested compensatory damages, punitive damages, pre and post award interest, costs, disbursements, and attorney's fees in unspecified amounts.

Respondents Prudential, McCormac and Hadam requested that claims in the Statement of Claim be denied in their entirety, and that Respondents be compensated for costs and attorneys' fees.

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

On or about September 21, 2004, Claimants withdrew their claims against Wachovia indicating that they had been named erroneously.

### **AWARD**

After considering the pleadings, 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. Claimants' claims are denied in their entirety;
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below;
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents McCormac's and Hadam's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondents McCormac and Hadam must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
4. Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents;
5. Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact: the claim, allegation, or information is factually impossible or clearly erroneous; and,
6. Any and all relief not specifically addressed herein, including 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

= waived

#### **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 is a party.

Member surcharge

= \$1,500.00

Pre-hearing process fee

= \$750.00

Hearing process fee

= \$2,200.00

#### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel @ \$1,000.00

= \$2,000.00

Pre-hearing conferences:     January 7, 2005     1 session  
   May 17, 2005     1 session

Seven (7) Hearing sessions @ \$1,000.00

= \$7,000.00

Hearing Dates:     June 1, 2005     2 sessions  
                                 June 2, 2005     2 sessions  
                                 June 3, 2005     2 sessions  
                                 June 6, 2005     1 session

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Total Forum Fees

= \$9,000.00

The Panel has assessed \$9,000.00 of the forum fees to Respondent Prudential.

**Fee Summary**

1. Claimants is assessed and shall pay:

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

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2. Respondent Prudential is assessed and shall pay:

Member Fees	= \$	4,450.00
<u>Forum Fees</u>	= \$	9,000.00
Total Fees	= \$	13,450.00
<u>Less payments</u>	= \$	5,200.00
Balance Due NASD Dispute Resolution	= \$	8,250.00

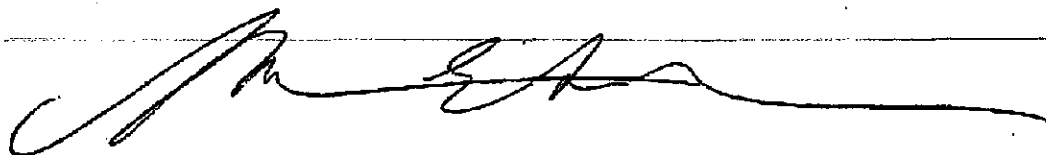
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Mariann Edith Schick, Esq.  
Catherine Stewart, Esq.  
Malcolm J. Irving

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

**Concurring Arbitrators' Signatures**



Mariann Edith Schick, Esq.  
Public Arbitrator, Presiding Chairperson

6/17/05  
Signature Date

Catherine Stewart, Esq.  
Public Arbitrator, Panelist

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

Malcolm J. Irving  
Non-Public Arbitrator, Panelist

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

June 21, 2005  
Date of Service (For NASD Dispute Resolution office use only)

**ARBITRATION PANEL**


**Mariann Edith Schick, Esq.**  
**Catherine Stewart, Esq.**  
**Malcolm J. Irving**

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

### Concurring Arbitrators' Signatures

**Mariann Edith Schick, Esq.**  
**Public Arbitrator, Presiding Chairperson**

**Signature Date**

  
Catherine Stewart, Esq.  
Public Arbitrator, Panelist

6/20/2005  
Signature Date

**Malcolm J. Irving**  
Non-Public Arbitrator, Panelist

**Signature Date**

June 21, 2005

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

**ARBITRATION PANEL**

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Catherine Stewart, Esq.	-	Public Arbitrator, Panelist
Malcolm J. Irving	-	Non-Public Arbitrator, Panelist

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Signature Date

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Catherine Stewart, Esq.  
Public Arbitrator, Panelist

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Signature Date

  
\_\_\_\_\_  
Malcolm J. Irving  
Non-Public Arbitrator, Panelist

8/8/05  
\_\_\_\_\_  
Signature Date

June 21, 2005  
\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution office use only)