

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Doris Thornton-Scott, Claimant v. Carlton M. Lennon and Mark A. Tabit, Respondents

Case Number: 04-05008

Hearing Site: Los Angeles, California

Nature of the Dispute: Customer v. Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

Doris Thornton-Scott
In Pro Per
Stone Mountain, Georgia

For Respondent Carlton M. Lennon:

C. William Kircher, Esq.
Law Offices of C. William Kircher
Irvine, California

For Respondent Mark A. Tabit:

Charles B. LaChaussee, Esq.
Prudential Equity Group, LLC
San Francisco, California

CASE INFORMATION

Statement of Claim filed: July 13, 2004

Claimant's Uniform Submission Agreement signed: June 21, 2004

Statement of Answer filed by Respondent Carlton M. Lennon: September 2, 2004

Statement of Answer filed by Respondent Mark A. Tabit: September 3, 2004

Respondent Carlton M. Lennon's Uniform Submission Agreement signed: December 3, 2004

Respondent Mark A. Tabit's Uniform Submission Agreement signed: September 16, 2004

CASE SUMMARY

In her Statement of Claim, Claimant alleged margin calls, negligence, misrepresentation, suitability, unauthorized trading, omission of facts, and failure to supervise involving transactions in shares of McDonald's and Cisco stock.

Respondent Carlton M. Lennon's denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

Respondent Mark A. Tabit denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested \$62,517.28 in compensatory damages, \$100,000.00 in punitive damages, and costs.

Respondent Carlton M. Lennon requested dismissal of the Claimant's Statement of Claim in its entirety.

Respondent Mark A. Tabit requested dismissal of the Claimant's Statement of Claim in its entirety, expungement of his permanent record maintained by the Central Registration Department, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On July 21, 2004, Claimant signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On April 17, 2005, Claimant made a motion for this matter to be decided in her absence and upon additional pleadings and documentary evidence. On April 23, 2005, Respondents opposed the request. After due deliberation in an executive session, the Panel denied the motion.

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 and evidence, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are dismissed without prejudice.
- 2) The Parties shall bear their respective costs, including attorney's fees.
- 3) Any and all other relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the *NASD Code of Arbitration Procedure* ("Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	=	waived
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Prudential Equity Group, LLC employed the Respondents at the time of the events giving rise to this dispute and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	= \$ 2,750.00
Total Member Fees	= \$ 5,200.00

Adjournment Fees

The following adjournment fees are assessed:

March 15 – 17, 2005, adjournment requested by Claimant	= \$ 1,125.00
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The Panel waived 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 scheduled hearing sessions:

March 15 – 17, 2005, adjournment requested by Claimant = \$ 300.00

The Panel assessed the three-day cancellation fee to Claimant.

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

One (1) Pre-hearing conference session with a single arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing conference: January 31, 2005 1 session

Three (3) Pre-hearing conference sessions with the Panel @ \$1,125.00/session = \$ 3,375.00
Pre-hearing conferences: November 10, 2004 1 session
March 15, 2005 1 session
March 17, 2005 1 session

Total Forum Fees = \$ 3,825.00

1. The Panel assessed \$1,912.50 of the forum fees to Claimant.
2. The Panel assessed \$787.50 of the forum fees jointly and severally to Respondents.
3. The Panel waived \$1,125.00 of the forum fees.

Fee Summary

1. Claimant Doris Thornton-Scott is charged with the following fees and costs:

Three-day Cancellation Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 1,912.50
<u>Total Fees</u>	= \$ 2,212.50
<u>Less payments</u>	= \$ (0.00)
Balance Due NASD Dispute Resolution	= \$ 2,212.50

2. Member Firm Prudential Equity Group, LLC is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ (0.00)

3. Respondents Carlton M. Lennon and Mark A. Tabit are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 787.50
<u>Less Payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 787.50

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

ARBITRATION PANEL

Gerald F. Corrigan	-	Public Arbitrator, Presiding Chair
Benjamin F. Breslauer	-	Public Arbitrator
Kenneth E. Kreh	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Gerald F. Corrigan
Chair, Public Arbitrator



Signature Date

Benjamin F. Breslauer
Public Arbitrator

Signature Date

Kenneth E. Kreh
Non-Public Arbitrator

Signature Date

5/5/05
Date of Service

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Benjamin F. Breslauer

Kenneth E. Kreh

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Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

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Chair, Public Arbitrator

Signature Date



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Public Arbitrator

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Chair, Public Arbitrator

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Public Arbitrator

Signature Date



Kenneth E. Kreh
Non-Public Arbitrator

5/6/05
Signature Date

Date of Service