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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Gustavo Alfonso

Case Number: 05-02401

Names of the Respondents  
Mickey Filippucci  
Oscar Melian  
Joseph Traba  
Prudential Securities, Inc.

Hearing Site: Boca Raton, Florida

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

**REPRESENTATION OF PARTIES**

For Gustavo Alfonso, hereinafter referred to as "Claimant": Matthew L. Jones, Esq., Jones & Adams, P.A., Miami, Florida.

For Prudential Securities, Inc. n/k/a Prudential Equity Group, LLC, ("Prudential"), Oscar Melian ("Melian") and Joseph Traba ("Traba"), hereinafter referred to as "Respondents": Brian D. Elias, Esq., Fowler White Burnett, P.A., Miami, Florida.

Mickey Filippucci, a/k/a James Michael Filippucci ("Filippucci"), did not appear.

**CASE INFORMATION**

Statement of Claim filed on or about: May 6, 2005.

Claimant signed the Uniform Submission Agreement: May 12, 2005.

Statement of Answer and Defenses filed by Respondents Prudential, Melian and Traba on or about: July 14, 2005.

Respondent Prudential signed the Uniform Submission Agreement: June 21, 2005.

Respondent Melian signed the Uniform Submission Agreement: July 25, 2005.

Respondent Traba signed the Uniform Submission Agreement: July 22, 2005.

Respondent Filippucci did not file a Statement of Answer or an executed Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: unsuitability; breach of fiduciary duty; negligence; and, failure to supervise. The causes of action relate to Claimant's allegations that his account was over concentrated in technology and technology-related stocks.

Unless specifically admitted in their Answer, Respondents Prudential, Traba and Melian denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested an award of compensatory damages in his favor and against Respondents jointly and severally in the amount of \$171,636.38, interest, attorneys' fees, costs, damages caused by adverse tax ramifications and any other remedy deemed just and equitable.

Respondents Prudential, Melian and Traba requested an award in their favor and against Claimant, dismissal of the Statement of Claim, expungement of this claim from the records of Respondents Melian and Traba with the Central Registration Depository ("CRD") of the NASD, and such other and further relief as deemed just and proper.

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

On or about May 23, 2005, Respondent Filippucci submitted a Notice of Chapter 7 Bankruptcy Case, Meeting of Creditors and Deadlines, dated April 22, 2005. Respondent Filippucci filed for protection under federal bankruptcy law, all claims against Respondent Filippucci are stayed and the Panel made no determination on the claims regarding Respondent Filippucci.

On or about April 6, 2006, Claimant notified the NASD Dispute Resolution that the matter was settled.

On or about April 11, 2006, Respondents Prudential, Melian and Traba filed with the NASD Dispute Resolution a request that the Panel enter a Stipulated Award expunging this proceeding from Respondents Melian's and Traba's CRD records (the "Request"), and a proposed Stipulated Award. On May 8, 2006, the Panel conducted a telephonic pre-hearing conference on the request for expungement wherein the parties' representatives stipulated to facts in support of the request for expungement. On or about May 8, 2006, the Panel submitted an order granting expungement of Respondents Melian's and Traba's CRD records.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

### **AWARD**

After considering the pleadings, the request for entry of a Stipulated Award submitted by the parties, and the presentation during the telephonic pre-hearing conference held on May 8, 2006, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure (the "Code"), the Arbitration Panel has made the following affirmative findings of fact: registered persons Melian and Traba were not involved in the alleged investment-related sales practice violation. Accordingly, the

Panel recommends the expungement of all references to the above captioned arbitration from Respondents Melian's and Traba's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Member 04-16, Respondents Melian and Traba must obtain confirmation from a Court of competent jurisdiction before the CRD will execute the expungement directive.

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.

### **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	= \$ 300.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent Prudential is a party and a member firm.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees assessed during these proceedings.

#### **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:

There were no three-day cancellation fees 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.

There were no injunctive relief fees 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:

Two (2) Pre-hearing sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
Pre-hearing conferences: September 22, 2005	1 session
May 8, 2006	1 session
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Total Forum Fees	= \$ 2,250.00

Pursuant to the agreement of the parties, the Panel has assessed forum fees in the amount of \$1,125.00 to Claimant and \$1,125.00 to Respondents Prudential, Melian and Traba, jointly and severally.

### **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.

There were no administrative costs incurred during these proceedings.

### **Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$1,125.00
Total Fees	= \$1,425.00
Less Payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Prudential is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Prudential, Melian and Traba are jointly and severally liable for:

Forum Fees	= \$1,125.00
Total Fees	= \$1,125.00
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,125.00

Martin Van Luven  
John F. Morack, Ph.D.  
James D. McDonald

Public Arbitrator, Presiding Chairperson  
Public Arbitrator  
Non- Public Arbitrator

/s/  
Martin Van Luven  
Public Arbitrator, Presiding Chairperson

May 16, 2006  
Signature Date

/s/  
John F. Morack, Ph.D.  
Public Arbitrator

May 17, 2006  
Signature Date

/s/  
James D. McDonald  
Non-Public Arbitrator

May 17, 2006  
Signature Date

May 18, 2006  
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution  
Arbitration No. 05-02401  
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

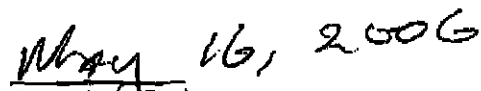
Martin Van Luven  
John F. Morack, Ph.D  
James D. McDonald

Public Arbitrator, Presiding Chairperson  
Public Arbitrator  
Non- Public Arbitrator

Concurring Arbitrators' Signatures



Martin Van Luven  
Public Arbitrator, Presiding Chairperson



Signature Date

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John F. Morack, Ph.D  
Public Arbitrator

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Signature Date

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James D. McDonald  
Non-Public Arbitrator

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Signature Date

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**ARBITRATION PANEL**

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John F. Morack, Ph.D  
James D. McDonald

Public Arbitrator, Presiding Chairperson  
Public Arbitrator  
Non- Public Arbitrator

**Concurring Arbitrators' Signatures**

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Martin Van Luven  
Public Arbitrator, Presiding Chairperson

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Signature Date

  
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John F. Morack, Ph.D  
Public Arbitrator

5/17/06  
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Signature Date

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James D. McDonald  
Non-Public Arbitrator

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Public Arbitrator  
Non- Public Arbitrator

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Public Arbitrator, Presiding Chairperson

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