

Award
NASD Dispute Resolution

COPY

In the Matter of the Arbitration Between:

Prudential Equity Group, LLC f/k/a Prudential Securities Incorporated, Claimant v.
Jonathon E. Stanley, Jr., Respondent

Case Number: 05-04830

Hearing Site: San Diego, California

Nature of the Dispute: Member v. Associated Person

REPRESENTATION OF PARTIES

For Claimant:

David W. Schmidt, Esq.
Erin A. Rowin, Esq.
Lubiner & Schmidt
Cranford, New Jersey

For Respondent:

Jonathon E. Stanley, Jr.
In Pro Se
Bonsall, California

CASE INFORMATION

Statement of Claim filed: September 13, 2005

Claimant's Uniform Submission Agreement signed: May 12, 2005

CASE SUMMARY

Claimant alleged breach of a Promissory Note.

RELIEF REQUESTED

Claimant requested \$181,156.72 in compensatory damages, interest thereon at the annual rate of 5% from September 21, 2002, until payment is made in full, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (Code) and is bound by the determination of the Panel on all issues submitted.

On December 1, 2005, Claimant filed a Motion to Preclude Respondent from asserting any defenses, counterclaims, offsets, or otherwise controvert the allegations in Claimant's Statement of Claim. No response to Claimant's Motion to Preclude was received, although a deadline of February 2, 2006 was provided.

On February 17, 2006, Claimant filed a Motion for Summary Judgment. No response to Claimant's Motion for Summary Judgment was received, although a deadline of March 13, 2006 was provided.

Upon review of the file and the representations made on behalf of the Claimant, the undersigned Panel determined that Respondent was properly served with the Statement of Claim and received due notice of the proceeding, and that arbitration of the matter would proceed without said Respondent present, in accordance with the Code. Specifically, the Panel noted NASD Dispute Resolution's actions to serve Respondent as follows:

1. On September 16, 2005, pursuant to NASD Dispute Resolution service of claim procedures, NASD sent Claimant's Statement of Claim to Respondent via Certified Mail/Return Receipt Requested at the following addresses: 28171 Calle San Remo, San Juan Capistrano, CA 92675 (hereinafter referred to as Address A), and, 52 Via Casitas, Bonsall, CA 92003 (hereinafter referred to as Address B). On October 5, 2005, NASD received as returned mail, the Statement of Claim and accompanying documents addressed to Respondent at Address A, with a notation from the U.S. Postal Service that the documents were "returned to sender; not deliverable as addressed; unable to forward." On September 21, 2005, NASD received a signed Return Receipt green card from the U.S. Postal Service for the documents delivered to Address B.
2. On November 11, 2005, pursuant to Rule 10308(b)(5) of the NASD Code of Arbitration Procedure (Code), NASD forwarded the list of proposed arbitrators to all parties separately via standard delivery Federal Express. In the same packet, NASD also sent a letter to Respondent advising that the case would proceed with or without his Statement of Answer, which had not been received. On November 17, 2005, NASD received as a returned shipment from Federal Express, the packet addressed to Respondent at Address A, with a notation that "recipient moved and left no forwarding address or phone number."

3. On November 15, 2005, NASD sent the list of proposed arbitrators and a letter advising that the case would proceed with or without his Statement of Answer, which had not been received, to Respondent at Address B via priority overnight delivery Federal Express, with a request for a direct signature. On November 17, 2005, NASD received confirmation from Federal Express that the packet was delivered to Respondent at Address B on November 17, 2005, pursuant to a signature release on file for the addressee.
4. On December 8, 2005, NASD sent notice of the appointment of the Panel and the initial pre-hearing conference date to all parties separately via First Class Certified Mail/Return Receipt Requested. On December 12, 2005, NASD received a signed Return Receipt green card from the U.S. Postal Service for the documents delivered to Respondent at Address B.
5. December 21, 2005 NASD sent notice of the chair appointment to all parties separately. The document was forwarded to Respondent via First Class Certified Mail to both Address A and Address B. On January 18, 2006, NASD received as returned mail, the notice forwarded to Respondent at Address A, with a notation from the U.S. Postal Service to "return to Sender; attempted not Known." On January 24, 2006, NASD received as returned mail, the notice forwarded to Respondent at Address B, with a notation from the U.S. Postal Service identifying the item as "Unclaimed".
6. An Initial Telephonic Pre-Hearing Conference was held on January 5, 2006. Respondent did not attend or participate in the conference. The Panel issued a Pre-Hearing Conference Scheduling Order on January 5, 2006.
7. On January 6, 2006, NASD sent the Initial Pre-Hearing Conference Scheduling Order to all parties separately via First Class Certified Mail/Return Receipt Requested. On January 10, 2006, NASD received a signed Return Receipt green card from the U.S. Postal Service for the Panel's Order delivered to Respondent at Address B.
8. On January 20, 2006, NASD sent notice of the deadline to file a response to Claimant's Motion to Preclude, dated December 1, 2005, to Respondent at Address B via First Class Certified Mail/Return Receipt Requested. On January 25, 2006, NASD received a signed Return Receipt green card from the U.S. Postal Service for the response deadline notice delivered to Respondent at Address B.
9. On February 24, 2006, NASD sent notice of the deadline to file a response to Claimant's Motion for Summary Judgment, dated February 17, 2006, to Respondent at Address B via First Class Mail. NASD did not receive as returned mail the response deadline notice sent to Respondent at Address B.

10. On June 7, 2006, Claimant submitted to the Panel a copy of e-mail correspondence from Respondent to Claimant, dated October 12, 2005, which evidenced Respondent's contact with Claimant's counsel and included redacted information relating to settlement negotiations between the parties.

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

FINDINGS AND CONCLUSIONS

The Panel finds that with reference to Claimant's Motion to Preclude, dated December 1, 2005, the record of correspondence between the parties, and between the parties and NASD, reveals various times that Respondent was made aware of this matter. The Panel finds that Respondent had more than sufficient time to make any response at all, and did not.

The Panel determined that an evidentiary hearing was not warranted and that Claimant's Motion for Summary Judgment would be decided on the papers, without a formal hearing.

AWARD

After considering the pleadings, Claimant's Motion to Preclude, and Claimant's Motion for Summary Judgment, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant Prudential Equity Group, LLC f/k/a Prudential Securities Incorporated's Motion to Preclude is granted.
- 2) Claimant Prudential Equity Group, LLC f/k/a Prudential Securities Incorporated's Motion for Summary Judgment is granted.
- 3) Respondent Jonathon E. Stanley, Jr. is liable to and shall pay Claimant Prudential Equity Group, LLC f/k/a Prudential Securities Incorporated the sum of \$181,156.72 in compensatory damages.
- 4) Respondent Jonathon E. Stanley, Jr. is liable to and shall pay Claimant Prudential Equity Group, LLC f/k/a Prudential Securities Incorporated interest in the amount of 5% per annum on the sum of \$181,156.72 from September 21, 2002 to July 7, 2006.
- 5) Respondent Jonathon E. Stanley, Jr. is liable to and shall pay Claimant Prudential Equity Group, LLC f/k/a Prudential Securities Incorporated the sum of \$8,050.08 in attorney's fees, pursuant to the terms of the Promissory Note.

- 6) Except as outlined in item number 5 of the Award, the parties shall bear their respective costs.
- 7) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the 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	= \$ 1,000.00
--------------------------	---------------

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 f/k/a Prudential Securities Incorporated is a party and the following fees are assessed:

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

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 the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: January 5, 2006 1 session	

Total Forum Fees	= \$ 1,125.00
-------------------------	----------------------

The Panel assessed \$1,125.00 of the forum fees to Respondent.

Fee Summary

1. Claimant Prudential Equity Group, LLC f/k/a Prudential Securities Incorporated is charged with the following fees and costs:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
Total Fees	= \$ 6,200.00
Less payments	= \$(7,325.00)
Refund Due Claimant	= \$(1,125.00)

2. Respondent Jonathon E. Stanley, Jr. is charged with the following fees and costs:


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

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

Joseph T. Donnantuoni	-	Non-Public Arbitrator, Presiding Chair
Thomas J. Doherty	-	Non-Public Arbitrator
J. A. Dutcher, CPA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Joseph T. Donnantuoni
Chair, Non-Public Arbitrator

10/27/06

Signature Date

Thomas J. Doherty
Non-Public Arbitrator

Signature Date

J. A. Dutcher, CPA
Non-Public Arbitrator

Signature Date

10/24/06

Date of Service

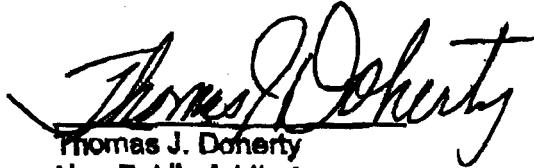
ARBITRATION PANEL

Joseph T. Donnantuoni	-	Non-Public Arbitrator, Presiding Chair
Thomas J. Doherty	-	Non-Public Arbitrator
J. A. Dutcher, CPA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Joseph T. Donnantuoni
Chair, Non-Public Arbitrator

Signature Date


Thomas J. Doherty
Non-Public Arbitrator

10/23/2006
Signature Date

J. A. Dutcher, CPA
Non-Public Arbitrator

Signature Date

10/24/06
Date of Service

ARBITRATION PANEL

Joseph T. Donnantuoni	-	Non-Public Arbitrator, Presiding Chair
Thomas J. Doherty	-	Non-Public Arbitrator
J. A. Dutcher, CPA	-	Non-Public Arbitrator

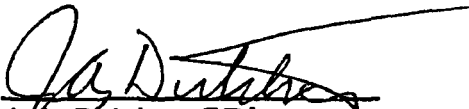
Concurring Arbitrators' Signatures

Joseph T. Donnantuoni
Chair, Non-Public Arbitrator

Signature Date

Thomas J. Doherty
Non-Public Arbitrator

Signature Date



J. A. Dutcher, CPA
Non-Public Arbitrator

10/25/06

Signature Date

Date of Service