

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Prudential Securities Inc

92-02685

Name of Respondent

Morris Pearl

REPRESENTATION

For Claimant: Jill Byrne, Esq. of Kutak Rock.

For Respondent: Anthony Ferrara, Esq. of Polstein & Ferrara & Dwyer, P.C.

CASE INFORMATION

Statement of Claim filed: August 10, 1992.

Claimant's Submission Agreement signed on: July 31, 1992.

Statement of Answer filed by Respondent, Morris Pearl on: October 8, 1992.

Respondent, Morris Pearl's Submission Agreement signed on: October 5, 1992.

HEARING INFORMATION

Pre-Hearing Conference: April 19, 1993

Hearing Date/Sessions: September 9, 1993 - Two Sessions

Hearing Location: NASD Offices - New York, NY:

CASE SUMMARY

Claimant alleged that they loaned the sum of \$30,000.00 to Respondent, Morris Pearl ("Pearl"). Claimant alleged that when Pearl received the loan, he was given a promissory note (the "note"). Claimant alleged that although Pearl accepted the loan, he never signed and returned the promissory note.

Claimant alleged that pursuant to the terms of the note, Pearl is obligated to repay \$30,000.00 plus interest, in equal installments in the three years following his signing of the note, or upon the termination of his employment at Claimant, Prudential Securities, Inc. ("PSI"). Claimant alleged that Pearl voluntarily resigned from PSI and became employed at a competitor firm. Claimant alleged that the balance of \$30,000.00 became due and that although demand was made, payment has not been made to the Claimant.

Respondent maintained that the \$30,000.00 given to him was never intended to be a loan and that he never signed a promissory note. Respondent maintained that he regularly received bonuses from PSI and that his bonus for 1988 was \$75,000.00. Respondent asserted that he was told that his bonus for 1989 would be substantially the same, but paid differently. Respondents maintained that a certain amount was paid as additional income, a certain amount as part of an executive award plan, and the rest was paid in shares of the company. Pearl maintained that no one had ever spoken to him about a loan or promissory note, and that all discussions held regarding the \$30,000.00 led him to believe that it was part of his bonus.

RELIEF REQUESTED

Claimant requested damages in the amount of \$32,850.00 plus interest at the rate of 9% from February 28, 1990 until the date of payment. Claimant also requested the cost of collection and of this proceeding.

Respondent requested that the panel find in his favor, against PSI, that the Statement of Claim be dismissed in its entirety, and that he be awarded costs and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

On the day of the hearing, one of the arbitrators failed to appear, due to a misunderstanding regarding the hearing date in this matter. Accordingly, the parties agreed to proceed with the remaining two arbitrators. The parties agreed that if the two arbitrators remaining could not reach a decision in this matter, then the third arbitrator was to listen to the taped testimony and deliberate along with the other two arbitrators.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Morris Pearl is hereby liable and shall pay to the Claimant the amount of \$20,000.00 (TWENTY THOUSAND DOLLARS AND NO CENTS). This amount is exclusive of interest.
2. The request for interest is denied.
3. Each party shall bear their respective costs in this action, including attorney's fees.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the following Forum Fee(s) are assessed:

\$500.00	Non-refundable filing fee
\$300.00	Pre-hearing conference fee
\$1,200.00	Hearing Session Fees (2 sessions x \$600.0)

1. Total forum fees in the amount of \$2,000.00 are hereby assessed against the Claimant, Prudential Securities, Inc. Claimant is entitled to offset this amount with the \$1,200.00 previously deposited with the NASD. Claimant is directed to pay the balance of \$800.00 to the NASD, Inc.

Concurring Arbitrator's Signature
Name

Industry Arbitrator

Maive R. Giovati, Esq.

Executed on:

~~Date of Decision:~~ _____

Date of Decision: November 18, 1993

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

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Concurring Arbitrator's Signature
Name

Industry Chairperson


Bill T. Singer, Esq.

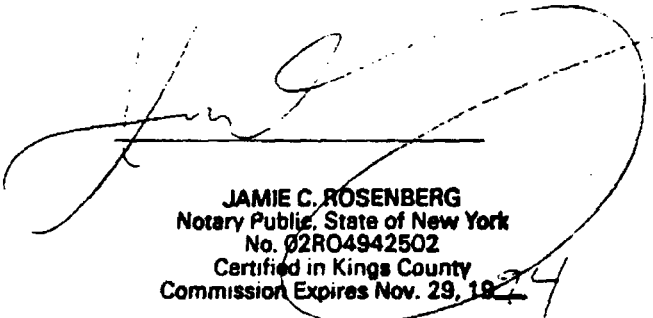
Date of Decision: November 18, 1993

92-2685

STATE OF New York ss.:

COUNTY OF New York

On this 16 day of November 19 93 before me personally appeared Bill Singer, Esq. to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



JAMIE C. ROSENBERG
Notary Public, State of New York
No. 02RO4942502
Certified in Kings County
Commission Expires Nov. 29, 1994

STATE OF New York ss.:

COUNTY OF New York

On this ~~17th~~ 11th day of November 1943, before me personally appeared Maive R. Giovati, Esq. to me known and known before me to be the individual described in and who executed the foregoing instrument and she duly acknowledged to me that she executed the same.

Maria Campese

MARIA A. CAMPESE
Notary Public, State of New York
No. 52-4965360
Qualified in Suffolk County
Commission Expires April 16, 1944