

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Prudential Securities, Inc.

Consolidated Cases

~~93-00030~~

93-02454

Name of Respondent

Jay Rodin

REPRESENTATION

For Claimant Prudential Securities, Inc.: Jill A. Byrne, Esq. of the law firm of Kutak Rock located in Washington, D.C.

For Respondent Jay Rodin ("Respondent"): Sheldon M. Goldman, Esq. of the law firm of Wien, Malkin & Bettex located in New York City, New York.

CASE INFORMATION

Statement of Claim filed: March 3, 1993.

Claimant's Submission Agreement signed on: February 12, 1993.

Statement of Answer filed by Respondent Jay Rodin on: June 10, 1993.

Respondent's Submission Agreement signed on: June 10, 1993.

HEARING INFORMATION

Hearing Dates/Sessions:	March 9, 1994	-	Two Sessions
	March 10, 1994	-	Two Sessions
	April 20, 1994	-	Two Sessions

Hearing Location: National Association of Securities Dealers, Inc. offices located in New York City, New York.

CASE SUMMARY

Claimant alleged that on or about June 15, 1987, Respondent commenced his

employment with Prudential Securities, Inc.; that on or about February 28, 1990, Prudential Securities, Inc. loaned the Respondent the sum of \$26,000.00; and that Respondent accepted and cashed the \$26,000.00 loan check. Claimant also alleged that Respondent never signed and returned the Note as he had agreed and that to document that the \$26,000.00 payment was a loan, claimant typed "accepted pursuant to the terms of a Note dated February 28, 1990" on the reverse side of the loan check.

Claimant further alleged that under the terms of the Note, Respondent was obligated to repay \$26,000.00, plus interest at 9% per annum, without notice, protest, presentment or demand, in equal installments of \$8,666.67 each, on the last day of February 1991, 1992 and 1993 or, upon the termination of his employment with Claimant Prudential Securities, Inc.

Further, Claimant alleged that on or about September 22, 1990, only seven months after receiving the \$26,000.00 loan, Respondent voluntarily resigned from Prudential Securities, Inc. to become employed with a competitor; that Respondent has made no repayments on the Note; and that the outstanding balance on the Note of \$26,000.00, plus accrued interest which Respondent has failed and refused to repay, became due and owing on or about September 22, 1990.

Respondent denied that he is indebted to Claimant for any amount set forth in the statement of claim and denied all allegations of wrongdoing alleged by Claimant. Respondent maintained that from October 18, 1987 through September 22, 1990, Respondent and approximately 24 other professionals worked at Prudential Securities, Inc.'s International Equity Desk (IED's); that IED's mandate was to capitalize on cross-border transactions by interacting with Prudential Securities, Inc.'s international network of analysts and IED's clients; and that essential to IED was PSI's international analyst support staff located in Tokyo, Hong Kong, London and Canada, which allowed IED access to numerous markets and potential transactions.

Respondent further maintained that in January, 1990, Claimant promoted Respondent from Associate to Vice President and granted Respondent a substantial increase in compensation as well as a bonus composed of cash and certain other payments in lieu of cash; that as part of the bonus Respondent received a \$26,000.00 award under the 1990 Executive Award Plan; and that under the terms of the 1990 Executive Award Plan, the \$26,000.00 award was to be paid in three equal annual installments which would be accelerated upon the termination of Respondent's employment with Claimant Prudential Securities, Inc. or assignment by Prudential Securities, Inc. to perform nominal functions tantamount to termination without cause.

Respondent also maintained that subsequent to the payment of the 1990 Executive Award Plan, and for the balance of 1990, Respondent's duties at Prudential

Securities, Inc. were substantially diminished as a result of Prudential Securities, Inc.'s cessation of international operations. Respondent further maintained that in April, 1990, Prudential closed its Tokyo and Hong Kong offices, in June, 1990 closed its London office, and in July, 1990 closed its Canadian office; that by July, 1990, Prudential Securities, Inc. either fired or reassigned all domestic personnel, other than IED staff, involved in international operations; and that by July 1990, all analysts, other than four in Australia, had been fired.

Respondent maintained that IED's clients ceased doing business with Prudential Securities, Inc. and IED's revenues drastically decreased; that three months after Prudential Securities, Inc. terminated Respondent's employment, Prudential Securities, Inc. also fired the remaining employees working at the IED; that Prudential Securities, Inc. granted each of these professionals one month's severance pay for each year at Prudential Securities, Inc., acceleration of any award under the 1990 Executive Award Plan, cash redemption of certain incentive shares and a pro-rated bonus for 1990; and that Respondent would have received at least \$85,000.00 had Claimant continued Respondent's employment for a short period of time.

Respondent further maintained that he did not sign the Note; that it was the specific intent of the parties that the \$26,000.00 was a part of Respondent's compensation and would not have to be repaid; and that Prudential Securities, Inc. acted in bad faith by engaging in a course of conduct designed to force Respondent and other employees to seek other employment.

RELIEF REQUESTED

Claimant requested an award against the Respondent for the following:

1. The sum of \$26,000.00;
2. Interest on the Note at the contract rate of 9% from February 28, 1990 until the date of payment;
3. The cost of collection, and of this proceeding, as Respondent agreed to pay under the terms of the Note; and
4. Such other relief as the arbitration panel deems just and proper.

Respondent requested that the arbitration panel find in Respondent's favor as follows:

1. Respondent is not indebted to Prudential Securities, Inc. for any amount awarded under the 1990 EAP or under any other Prudential Securities, Inc. plan;

2. Awarding Respondent the costs, disbursements and attorneys fees of this proceeding; and
3. Such other relief as the arbitration panel deems just and proper.

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.

AWARD

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

1. Respondent be and hereby is liable and shall pay to the Claimant the sum of \$26,000.00.
2. Respondent be and hereby is liable and shall pay to the Claimant 9% interest from February 28, 1990 until the date of payment.
3. Respondent be and hereby is liable and shall reimburse to the Claimant the sum of \$1250.00. representing forum fees already deposited with the NASD.
4. Respondent be and hereby is liable and shall pay to the Claimant the sum of \$10,533.00 representing attorneys' fees pursuant to the terms of the promissory note.
6. All other claims be and hereby are denied.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

6 sessions X \$750 = \$4,500.00 minus hearing session deposit of \$750.00 = net \$3,750.00 due.

Forum fees Assessed Against:

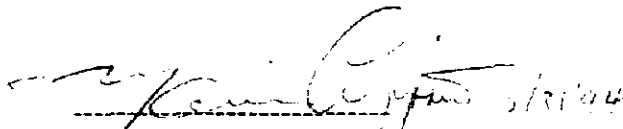
1. Respondent Rodin be and hereby is liable and shall pay to the

NASD the sum of \$3,700.00 representing forum fees.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signatures
Name

John J. Witkowski, Jr., Esq.
Chairperson - Industry Arbitrator



Marvin Lippsett
Industry Arbitrator

Bengt H. Kjellgren, Esq.
Industry Arbitrator

Date of Decision: June 9, 1994

COUNTY OF

On this 11 day of June, 1994, before me personally appeared Yvonne M. Smith known to me to be the individual described in and who executed the foregoing instrument and duly acknowledged to me that he/she executed the same.

6.11.1944

DEBORAH A. DEJESUS
Notary Public, State of New York
#02DE502299
New York County
January 24, 19____

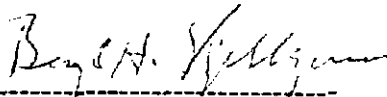
NASD the sum of \$3,700.00 representing forum fees.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signatures
Name

John J. Witkowski, Jr., Esq.
Chairperson - Industry Arbitrator

Marvin Lippsett
Industry Arbitrator



Bengt H. Kjellgren, Esq.
Industry Arbitrator

Date of Decision: June 9, 1994

STATE OF

COUNTY OF

On this 2 day of June, 1994, before me personally appeared Deborah A. DeJesus known to me to be the individual described in and who executed the foregoing instrument and duly acknowledged to me that he/she executed the same.

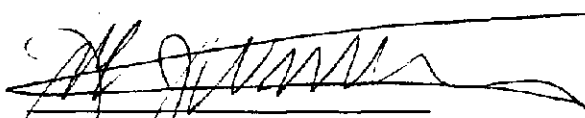
Deborah A. DeJesus

DEBORAH A. DEJESUS
Notary Public, State of New York
No. 02DE5022979
Qualified in New York County
Commission Expires January 24, 1995

NASD the sum of \$3,700.00 representing forum fees.

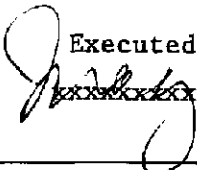
Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signatures
Name


John J. Witkowski, Jr., Esq.
Chairperson - Industry Arbitrator

Marvin Lippsett
Industry Arbitrator

Bengt H. Kjellgren, Esq.
Industry Arbitrator

Executed on:  July 27, 1994
Date of Decision: _____

Date of Decision: June 9, 1994

STATE OF

COUNTY OF

On this 1 day of November, 1994, before me personally appeared John A. DeJesus known to me to be the individual described in and who executed the foregoing instrument and duly acknowledged to me that he/she executed the same.

Deborah A. DeJesus

DEBORAH A. DEJESUS
Notary Public, State of New York
No. 02DE5022979
Qualified in New York County AD
Commission Expires January 24, 1995