

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Prudential Securities, Inc.

and

93-01541

Name of Respondent

Scott F. Lewandowski

REPRESENTATION OF PARTIES

Prudential Securities, Inc. ("**Claimant**") was represented by Warren Gould, Esq. of Gould, Broude & Nelson, P.C., Fort Worth, Texas.

Scott F. Lewandowski ("**Respondent**") was represented by Janie L. Frank, Esq. of Shannon, Gracey, Ratliff & Miller, L.L.P., Fort Worth, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about April 19, 1993. Response and Answer to the Answer and Counterclaim was filed on or about July 27, 1993. Motion for Summary Judgment was filed on or about July 27, 1993. Submission Agreement of Claimant was signed on April 1, 1993 by Edward S. Samson.

Statement of Answer and Counterclaim was filed by Respondent on or about July 1, 1993. First Amended Answer was filed on or about July 30, 1993. Response to Motion for Summary Judgment was filed on or about July 30, 1993. Submission Agreement of Respondent was signed on June 29, 1993.

HEARING INFORMATION

The hearing was held on Wednesday, February 16, 1994 for two (2) sessions and Thursday, February 17, 1994 for two (2) sessions in Dallas, Texas for a total of four (4) sessions.

CASE SUMMARY

Claimant alleged that when Scott Lewandowski became employed at Prudential Securities, Incorporated he executed a promissory note in the amount of \$134,132.00 and that when he resigned from Prudential on February 25, 1993, the balance of \$90,017.43 became due and payable in addition to attorney's fees, interest and all costs of collection. Claimant also alleged that the Respondent had a debit balance in his securities account which remains unpaid and due. It was further alleged that the Claimant became aware of order errors made by the Respondent and began to receive customer complaints for which the Respondent is responsible.

In its Answer to the Counterclaim, Claimant denied the allegations made against it. Claimant specifically denied that it ever made or caused to be made false or misrepresented statements that would induce the Respondent to leave Merrill Lynch. Claimant stated that Respondent was in fact contacted by a recruiter and that his decision to leave was based upon compensation.

Respondent stated that Greg Wood had made certain representations to him to induce him to leave Merrill Lynch and come to Prudential and bring his talents and customers to Prudential. In his Counterclaim, Respondent stated that the misrepresentations caused him mental anguish, pain and suffering, emotional distress and physical manifestations of such emotional distress.

RELIEF REQUESTED

Claimant requested an award in the amount of \$134,132.00 based on the Respondent's default in repayment of the note; interest at the contract rate of 8% per annum; the cost of collection and of this proceeding including reasonable attorney's fees under the terms of the note; and any other relief as the arbitrators deem fit.

Respondent requested that the claims asserted against him be denied and that he be awarded the sum of \$190,000.00 in lost wages; sums for the amount of his final paycheck and all other damages he has suffered for the wrongful garnishment; sums to be determined at the hearing for intentional infliction of emotional distress, including past and future medical expenses and sums for his mental anguish, pain and suffering, and emotional distress; prejudgment interest at the highest rate allowed by law; punitive damages, to be determined at the hearing but which should be at least \$200,000.00; an offset of any amounts that might be determined that he may owe to Prudential against what Prudential owes to him; and all other relief to which the arbitration panel decides he is entitled to receive.

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 original(s) remain on file with the N.A.S.D.

AWARD

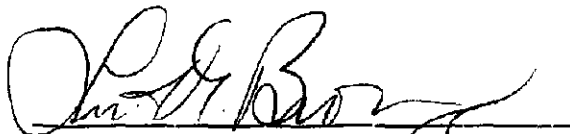
After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Scott F. Lewandowski shall be and hereby is liable for and shall pay to the Claimant Prudential Securities, Incorporated the sum of \$138,688.74 (**one hundred thirty eight thousand six hundred eighty eight dollars and seventy four cents**). This sum includes an award of attorney's fees in the amount of \$12,000.00. Attorney's fees are awarded pursuant to the terms of the promissory note.
2. Interest at the rate of 8% is awarded on the sum of \$90,017.43 from and inclusive of February 25, 1993 to and inclusive of the date of this award.
3. Prudential shall be and hereby is liable for and shall pay to the Claimant Scott F. Lewandowski the sum of \$2,578.14 (**two thousand five hundred seventy-eight dollars and fourteen cents**). All other claims asserted by Scott F. Lewandowski in this matter shall be and hereby are dismissed and denied in their entirety.
4. Each party shall bear their own costs, expenses and fees incurred in this matter not specifically enumerated herein.

FORUM FEES

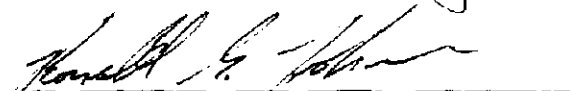
Pursuant to §44(c) of the N.A.S.D. Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("N.A.S.D.") shall retain the non-refundable filing fee in the amount of \$500.00 and shall retain as forum fees the hearing session deposit in the amount of \$600.00 previously deposited with the N.A.S.D. by the Claimant. The N.A.S.D. shall **retain** the non refundable filing fee in the amount of \$500.00 previously deposited with the N.A.S.D. by the Respondent. Claimant shall pay to the N.A.S.D. the sum of \$1,800.00 as forum fees.

Forum fees are calculated at the rate of \$600.00 per hearing session and \$300.00 for each prehearing conference, if any. Fees are payable to the **National Association of Securities Dealers, Inc.**



Lisa R. Browning, Esq.
Industry Arbitrator, Presiding Chair

Dated:

February 17, 1994


Ronald G. Johnson
Industry Arbitrator

February 18, 1994


Saul P. Baker
Industry Arbitrator

February 17, 1994