

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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In the Matter of the Arbitration Between

**Name of Claimant**

Christine M. Schupbach

93-01754

**Name of Respondent**

Prudential Securities Inc

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**REPRESENTATION**

For Claimant: Shannon Antle Hamilton and James D. Moyer from the law firm of Stites & Harbison located in Louisville, Kentucky.

For Respondent: David B. Sandler from the law firm of Westfall, Talbott & Wood located in Louisville, Kentucky.

**CASE INFORMATION**

Statement of Claim filed by Claimant Christine Schupbach ("Schupbach") on: May 7, 1993.

Amended Statement of Claim filed by Claimant Schupbach on: January 21, 1994.

Second Amended Statement of Claim filed by Claimant Schupbach on: May 13, 1994.

Third Amended Statement of Claim filed by Claimant Schupbach on: June 10, 1994.

Fourth Amended Statement of Claim filed by Claimant Schupbach on: September 6, 1994.

Claimant's Submission Agreement signed on: May 6, 1993.

Statement of Answer filed by Respondent Prudential Securities, Inc. ("Prudential") on: November 22, 1993.

Statement of Answer and Counterclaim to Claimant's Amended Statement of Claim filed by Respondent Prudential on: March 28, 1994.

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Statement of Answer to Claimant's Second Amended Statement of Claim filed by Respondent Prudential on: June 10, 1994.

Statement of Answer to Claimant's Third Amended Statement of Claim filed by Respondent Prudential on: July 7, 1994.

Statement of Answer to Claimant's Fourth Amended Statement of Claim filed by Respondent Prudential on: September 26, 1994.

Respondent Prudential's Submission Agreement signed on: November 22, 1993.

### **HEARING INFORMATION**

Pre-Hearing Conference: August 26, 1994 / One Session.

Hearing Dates / Sessions: January 11, 1995 / Two Sessions.  
January 12, 1995 / Two Sessions.  
January 13, 1995 / Two Sessions.  
January 26, 1995 / Two Sessions.  
January 27, 1995 / Two Sessions.  
March 21, 1995 / Two Sessions.  
March 22, 1995 / Two Sessions.  
March 23, 1995 / Two Sessions.  
May 11, 1995 / One Session.

Hearing Location: Radisson Hotel located at 1903 Embassy Square Blvd., Louisville, Kentucky.

### **CASE SUMMARY**

Claimant alleged that Respondent Prudential breached its contract of employment with Claimant by failing to provide Claimant secretarial support for herself and her assistant Deanna Bielata ("Bielata"), which Claimant alleged was a direct breach of Respondent's contractual commitment to Claimant. Claimant further alleged that Respondent, through First Vice President Roger Bonn, agreed to pay for certain radio marketing spots, to reimburse Claimant for pocket planners, and to take care of a salary supplement for Bielata. Claimant alleged Respondent breached its agreement by deducting salary supplements and benefits paid to Bielata from Claimant's commissions, by failing to pay for radio marketing spots, and by failing to reimburse Claimant for personal pocket planners for Claimant's clients. Claimant then alleged that Respondent provided Claimant with less sales assistance and secretarial support than her male co-workers and that she was improperly required to pay the benefits for her sales assistant/secretary Mona Jenkins ("Jenkins") while other male co-workers did not have to pay benefits for their sales assistants. Claimant alleged that Respondent made unauthorized and

illegal deductions from Claimant's pay, engaged in sexual discrimination in employment against the Claimant, engaged in retaliatory conduct against the Claimant during employment, and retaliatory conduct in her firing, fraudulently induced the Claimant to enter into a contract of employment with Respondent, and defamed Claimant's business reputation.

Respondent denied all allegations of Claimant's Statement of Claim, plead that Claimant was an at-will employee, and further that Claimant was fired for cause. Respondent denied any sexual discrimination or retaliatory conduct towards Claimant, denied that unauthorized deductions had been made from Claimant's salary. Respondent denied that Claimant was entitled to moving expenses or reimbursement of radio spots or out of state commissions. Respondent denied that Claimant was entitled to past or future wages and/or emotional distress and punitive damages. Respondent denied that Respondent should be responsible for forum fees, legal expenses, or amendment of Claimant's U-5 and denied any defamation of Claimant.

Respondent, in its Counterclaim against Claimant, alleged that Claimant had failed to pay a promissory note to Prudential claiming damages of \$127,371.00, inclusive of interest through April 7, 1995. Additionally, Prudential counterclaimed for reimbursement of \$5,000.00 for salary wrongfully paid by Respondent to Claimant's exclusive sales assistant.

### **RELIEF REQUESTED**

Claimant requested:

1. \$299.00 for reimbursement of pocket planners;
2. \$794.00 commissions on out-of-state transactions;
3. \$533.00 for moving expenses;
4. Reimbursement of \$2,860.00 for advertising radio spots;
5. \$4,212.00 for unauthorized deductions for employee, Deanna Bielata;
6. Reimbursement for unauthorized deductions for Deanna Bielata based on overcharges, benefits and salary \$3,914.00;
7. Unauthorized deductions for Mona Jenkins, \$32,725;
8. Lost past wages for Claimant, \$300,000.00;
9. Lost future wages for Claimant, \$460,000.00;
10. Damages for Claimant for emotional distress, \$500,000.00;

11. Punitive damages against Respondent in the amount of \$500,000.00;
12. Award of all forum fees and costs;
13. Award of Claimant's attorneys' fees;
14. Amend of U-5 filings.

Respondents requested:

1. That Claimant's Statement of Claim be dismissed;
2. Damages against Claimant in the amount of \$127,371.00 on a promissory note;
3. \$5,000.00 as reimbursement for salary wrongfully paid to Claimant's sales assistant;
4. Claimant be assessed all forum fees;
5. Claimant be assessed Respondent's attorneys' fees.

**AWARD**

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

1. Claimant is awarded on her original Statement of Claim and Amendments thereto judgement against Respondent in the sum of Two Hundred Ninety Nine Dollars (\$299.00).
2. Respondent is awarded judgment against Claimant, on its counterclaim, in the amount of One Hundred Thousand Twenty Seven Three Hundred Seventy One Dollars (\$127,371.00).
3. All other claims are dismissed.
4. Each party shall bear its own respective costs including attorneys' fees.

**FORUM FEES**

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

1 prehearing session (with the panel) X \$600	= \$600.
17 hearing sessions X \$600	= \$10,200.
Total Forum fees	= \$10,800.

**Forum fees Assessed Against:**

Claimant is assessed the sum of \$10,800.00 which represents the total amount of forum fees due, less \$600.00 hearing session deposit paid by Claimant, leaving \$10,200.00 due. Claimant is liable and shall pay to the NASD the sum of Ten Thousand Two Hundred Dollars (\$10,200.00).

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

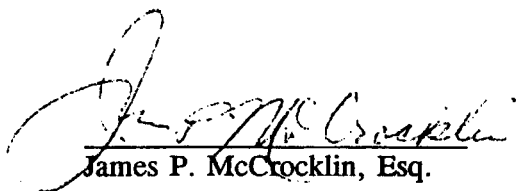
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Concurring Arbitrators' Signatures

Name

Public Chairperson

  
James P. McCrocklin, Esq.

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Name

Public Panelist

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Leah M. Balk, Esq.

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Name

Industry Panelist

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Gerald B. Brenzel

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Date of Decision: \_\_\_\_\_

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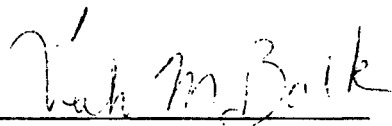
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**Public Panelist**

  
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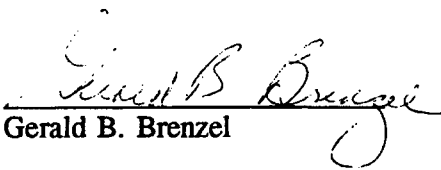
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Gerald B. Brenzel

  
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NASD Date of Decision: \_\_\_\_\_