

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Prudential Securities Inc.

vs

Case No.

93-05033

Name of Respondent

Gary S. Isaacs

REPRESENTATION

For Claimant, Prudential Securities Incorporated ("PSI"), appeared Gilbert W. Boyce, Esq. of Kutak Rock.

For Respondent, Gary S. Isaacs, ("Isaacs") appeared Jeffrey L. Liddle, Esq. of Liddle, Robinson & Shoemaker.

CASE INFORMATION

Statement of Claim filed on: December 6, 1993

Claimant's Submission Agreement signed on: November 17, 1993

Statement of Answer and Counterclaim filed by Respondent, Isaacs on: April 18, 1994

Respondent, Isaacs' Submission Agreement signed on: April 14, 1994

Claimant's Reply to the Counterclaim filed on: May 16, 1994

HEARING INFORMATION

Hearing Dates/Sessions:	April 10, 1995	-	2 sessions
	April 11, 1995	-	2 sessions
	May 2, 1995	-	2 sessions
	August 4, 1995	-	2 sessions
	August 7, 1995	-	1 session
	August 8, 1995	-	2 sessions
	August 9, 1995	-	3 sessions
	September 11, 1995	-	2 sessions

The hearings took place at the National Association of Securities Dealers, Inc.,'s offices located in New York City, New York.

CASE SUMMARY

Claimant alleges that the Respondent Isaacs was employed by PSI from on or about May 18, 1988 until on or about October 31, 1990. Claimant alleges that in February, 1989 PSI lent Isaacs the sum of \$30,000.00 pursuant to the terms of the First Note and that in February, 1990 PSI lent Isaacs the sum of \$65,000.00 pursuant to the terms of the Second Note. Claimant alleges that only one repayment on the First Note was made by Isaacs, but no repayments were made on the Second Note leaving a combined outstanding balances on the two loans of \$85,000.00. Claimant states that October, 1991 PSI, through its legal counsel, sent a demand letter to Isaacs for the amounts due and owing PSI under the First and Second Notes but Isaacs, nonetheless, refused pay the amounts owed to PSI.

Respondent alleges that the sums received from PSI were not loans, but bonuses received because of his exemplary performance and which were part of his annual compensation. In support of his position the Respondent points to the fact that the "Promissory Notes" were not signed by him.

The Respondent by way of counterclaim alleges that although PSI has a severance plan, no severance was paid to him when he was fired. In addition, the Respondent contends that because he worked for PSI for seven months during 1990 he is entitled to receive a portion of his annual bonus. Isaacs also counterclaims for unpaid shares of stock for which he is entitled to pursuant to PSI's Incentive Share Plan. By way of counterclaim for defamation and disparagement, the Respondent also alleges that PSI falsely accused him of not returning to work from his leave of absence and that as a result of this false statement, he had extreme difficulty finding comparable employment. The Respondent also contends that he is entitled to receive wrongfully withheld salary payments.

RELIEF REQUESTED

Claimant requests:

1. The sum of \$110,150.00;
2. Interest on the First Note at the contract rate of 9.5% from February 28, 1989 until the date of payment;
3. Interest on the Second Note at the contract rate of 9% from February 28, 1990 until the date of payment;
4. The cost of collection; and
5. Such other relief as the arbitration panel deems just and proper.

Respondent requests that the Statement of Claim be denied in its entirety. The Respondent also requests unpaid severance pay in the sum of \$94,616.66, plus attorneys' fees and liquidated damages in the amount of \$23,654.16. In addition, the Respondent requests payment of his unpaid bonus compensation in the sum of \$79,333.33. Also the Respondent seeks \$21,944.08 plus interest pursuant to the incentive share plan. In his counterclaim for defamation and disparagement the Respondent is seeking \$117,750.00. Respondent also requests his wrongfully withheld salary payments totaling \$1,962.50 plus interest and such other relief as the Panel may deem just and proper.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies and 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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Isaacs is liable to Claimant in the amount of **ONE HUNDRED THIRTY THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS (\$130,765)**
2. All other claims, including counterclaims, are dismissed.

FORUM FEES

Pursuant to Section of the Code of Arbitration Procedure, the following Forum Fee are assessed.

Non-refundable Claim Filing Fee:	\$ 500.00
Non-refundable Claimant Claim Filing Fee:	500.00
Hearing Sessions (16 @ \$750 per session)	<u>\$12,000.00</u>
Total Fees:	\$13,000.00

Forum fees assessed against both parties equally:

1. Claimant paid \$1,250.00 and owes \$5,250.00 to the NASD.
2. Respondent paid \$1,250.00 and owes \$5,250.00 to the NASD.

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

Concurring Arbitrator's Signature



Robert Scaman, Esq.
Chairperson

Industry

James R. Madan

Industry

Joseph J. Cassidy

Industry

I, Robert Scaman, Esq., do hereby affirm pursuant to Article 7505 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.



Robert Scaman, Esq.

Date of Decision: December 5, 1995

Concurring Arbitrator's Signature

Robert Seaman, Esq.
Chairperson

Industry



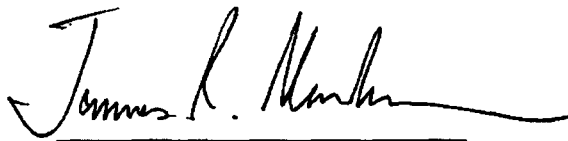
James R. Madan

Industry

Joseph J. Cassidy

Industry

I, James R. Madan, do hereby affirm pursuant to Article 7505 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.



James R. Madan

Date of Decision: December 5, 1995

Concurring Arbitrator's Signature

Robert Seaman, Esq.
Chairperson

Industry

James R. Madan

Industry

Joseph J. Cassidy
Joseph J. Cassidy

Industry

I, Joseph J. Cassidy, do hereby affirm pursuant to Article 7505 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.

Joseph J. Cassidy
Joseph J. Cassidy

Date of Decision: December 5, 1995