

NASD AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Name of Claimant

Prudential Securities, Inc.

and

94-01561

Name of Respondent CounterClaimant and
Third Party Claimant

Matthew Hyde

Third Party Respondents

Thomas G. Stuhlsatz
Thomas Owens

REPRESENTATION OF PARTIES

Prudential Securities, Inc. ("**Claimant**"); Thomas G. Stuhlsatz ("**Third Party Respondent Stuhlsatz**"); and Thomas Owens ("**Third Party Respondent Owens**") were represented by Gabriel Loubier, Esq., Prudential Securities, Inc., New York, New York.

Matthew Hyde ("**Respondent**") was represented by Robert C. Gammons, Esq., Watson, Gammons & Fees, P.C., Huntsville, Alabama.

CASE INFORMATION

The Statement of Claim was filed on or about April 25, 1994. Submission Agreement of Claimant Prudential Securities, Inc. was signed on May 18, 1994 by Robert Getman.

Statement of Answer was filed by Respondent Matthew Hyde on or about July 1, 1994. Submission Agreement of Respondent Matthew Hyde was signed on June 30, 1994.

Claimant and Third Party Respondents Response to Answer, Counterclaim and Third Party Claim and Amended Answer was filed by Claimant and Third Party Respondents Stuhlsatz and Owens on or about July 22, 1994.

HEARING INFORMATION

The hearing was held on Tuesday, March 7, 1995 for two (2) sessions and Wednesday, March 8, 1995 for three (3) sessions in Nashville, Tennessee for a total of five (5) sessions.

CASE SUMMARY

Claimant alleged that when Respondent became employed by Prudential he was loaned the sum of \$75,000, which is evidenced by a promissory note. Claimant alleged that by the terms of the promissory note, the loan would become immediately due and payable. Respondent Hyde resigned on or about January 31, 1994.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated that he was induced to sign the employment agreement and promissory note by the fraudulent representations of Prudential, Stuhlsatz and Owens. It was stated by Respondent that he was assured employment in a management position.

In their Response to the Counterclaim and Third Party Claims, Claimant Prudential and Third Party Respondents Stuhlsatz and Owens stated that there were no assurances given to Hyde that he would become a branch manager. Claimant Prudential and Third Party Respondents Stuhlsatz and Owens specifically stated that Hyde was told that he would be considered for a branch manager position.

RELIEF REQUESTED

In its Statement of Claim, Claimant requested an award in the amount of \$71,392.23; interest at the contract rate of 6% per annum from January 31, 1994 to the date of payment; an additional sum of \$17,403.78; the costs of collection including reasonable attorneys' fees pursuant to the terms of the Note; and any other relief as the arbitrators deem fit. In the Claimant and Third Party Respondents Response to Answer, Counterclaim and Third Party Claim and Amended Answer, Claimant and Third Party Respondents requested that the claims asserted against them be dismissed and that be awarded their costs and expenses, including attorneys' fees.

Respondent requested that the claims asserted against him be denied in its entirety and that he be awarded the sum of \$250,000 and such other relief as the arbitrators deem just and proper.

OTHER ISSUES CONSIDERED & DECIDED

Third Party Respondents Stuhlsatz and Owens did not file with the NASD properly executed submission to arbitration but are required to submit to arbitration pursuant to §8 of the NASD Code of Arbitration Procedure (the "Code") and having answered the Third Party Claim, appeared and testified at the hearing are bound by the determination of the arbitration panel on all issues submitted.

At the conclusion of the Claimant's case in chief, Respondent asserted a Motion for Directed Verdict. After considering the arguments presented by the parties and the testimony and evidence presented to that stage, the undersigned arbitrators **denied** the motion.

The parties have agreed that a handwritten, signed Award may be entered. The parties have agreed to receive conformed copies of the award while the original remains 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 Matthew Hyde shall be and hereby is liable for and shall pay to the Claimant Prudential Securities, Inc. the sum of **Seventy one thousand three hundred ninety two dollars and twenty three cents (\$71,392.23)**.
1. Interest at the rate of 6% is awarded on the above stated sum from and inclusive of January 31, 1994 to and inclusive the date this award is paid in full.
1. The Counterclaim and Third Party Claim asserted in this matter shall be and hereby are dismissed in their entirety.
1. Each party shall bear its own costs, expenses and attorneys' fees incurred in this matter not specifically enumerated herein.

FORUM FEES

Forum fees are calculated at the rate of \$750 per hearing session and \$300 for each prehearing conference, if any. There were five (5) sessions x \$750 = \$3,750 in forum fees. Pursuant to §43(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §44(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall **retain** the non-refundable filing fee in the amount of \$500, the surcharge(s) imposed pursuant to §45 and shall **retain** as forum fees the hearing session deposit in the amount of \$600 previously deposited with the NASD by the Claimant. Claimant shall be and hereby is liable for and shall pay to the NASD the sum of \$1,275 as forum fees. The National Association of Securities Dealers, Inc. ("NASD") shall **retain** the non-refundable filing fee in the amount of \$500 and shall **retain** as forum fees the hearing session deposit in the amount of \$750 previously deposited with the NASD by Respondent Hyde. Respondent Hyde shall be and hereby is liable for and shall pay to the NASD the sum of \$1,125 as the balance due for forum fees.

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

Concurring Arbitrators:

Dated:

/s/ Scott Mattice

March 27, 1995

Scott Matice

Industry Arbitrator, Presiding Chair

/s/ Richard L. Oates

March 28, 1995

Richard L. Oates

Industry Arbitrator

/s/ Phil Lubetkin

March 28, 1995

Phil Lubetkin

Industry Arbitrator