

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Prudential Securities, Inc.

94-03566

Name of Respondent

Walter R. Carey

REPRESENTATION

For Claimant Prudential Securities, Inc. ("Claimant") appeared Christopher Freeze, Esq. of Prudential Securities, Inc. located in New York, New York.

Respondent Walter R. Carey ("Respondent") appeared Pro Se.

CASE INFORMATION

Statement of Claim filed: September 2, 1994.

Claimant's Submission Agreement signed on: August 15, 1994.

Statement of Answer filed by Respondent on: February 15, 1995.

Respondent's Submission Agreement signed on: February 14, 1995.

HEARING INFORMATION

Hearing Date/Sessions: March 22, 1996 Two Sessions

The hearings were held at the offices of the National Association of Securities Dealers, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that on or about November 24, 1989, Respondent and it entered into an Employment Agreement ("EA") in which they agreed to resolve any disputes arising from the

EA according to the rules of the National Association of Securities Dealers, Inc. or the New York Stock Exchange, Inc. Claimant further alleged that upon employment, Respondent was loaned \$82,238.00 as evidenced by a signed Promissory Note ("Note"). Claimant also alleged that the terms of the Note obligate Respondent to repay it the principal in three annual payments of \$27,413.00, plus 10% interest per annum, and additionally provided for acceleration of the payments should Respondent cease his aforementioned employment. Claimant contended that on or about January 4, 1991, Respondent resigned therefore making the unpaid loan immediately due. Claimant further contended that any transitional payments due to Respondent upon his resignation were withheld, because under the terms of the note such action was authorized. Claimant also alleged that as result of the above, it has suffered a loss for which the Respondent should be held liable.

Respondent maintained that he left his job with Smith Barney Securities and commenced employment with Claimant because they made him several phony promises. Respondent further maintained that Claimant lured him with promises of "a 100% bigger and better municipal bond inventory, better management and office support, advertising and marketing, leads and accounts, etc." Respondent also maintained that shortly after he commenced employment, his officer manager got sick leaving the branch without a manager for almost an entire year. Respondent contended that the phony promises and the branch manager's departure caused his production to fall.

Respondent maintained that Claimant had fraudulently issued limited partnerships to its customers. Respondent further maintained that because of the publicity associated with the fraudulent sales, his career has been harmed. Respondent contended that since departing employment with the Claimant, he has been unable to find lucrative employment and has had to settle for a low paying job. Respondent further contended that Claimant's tarnished reputation has caused him to be unsuccessful in reestablishing his career, therefore, he has suffered losses which should more than offset any debt owed to Claimant. Respondent also contended that as a result of the above, he should not be held liable.

RELIEF REQUESTED

Claimant requested \$82,238.00, 10% interest per annum from November 27, 1990 to date of payment, costs, attorneys' fees and any other relief the arbitrators deem fit.

Respondent requested that the claims of the Claimant be dismissed in their entirety.

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. The Respondent Walter Carey is liable and shall pay to the Claimant Prudential Securities, Inc. \$82,238.00 in actual damages
2. The Respondent Walter Carey is liable and shall pay to the Claimant Prudential Securities, Inc. \$51,489.01 in interest.
3. The parties shall bear their respective costs and attorneys' fees.
4. All other relief requests are denied.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$500.00 non-refundable filing fee previously paid by the Claimant and have assessed the following Forum Fees:

2 hearing sessions x \$600.00	= \$1,200.00
minus Prudential's hearing sessions deposit	= <u>\$ 600.00</u>
total outstanding	= \$ 600.00

Claimant Prudential Securities, Inc. be and hereby is liable and shall pay to the NASD the sum of \$600.00 representing one-half of the hearing session fees.

Respondent Walter Carey be and hereby is liable and shall pay to the NASD the sum of \$600.00 representing the amount of forum fees due and owing the NASD.

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

ARBITRATOR'S SIGNATURE


William Crowe, Jr., Esq.
Industry Chairperson

James R. Madan
Industry Arbitrator

Herbert Z. Geiger, Esq.
Industry Arbitrator

I, William Crowe, Jr., Esq., do hereby affirm pursuant to Article 7507 of the Civil Practice Law & Rules that this is my decision in the above referenced matter.


William Crowe, Jr., Esq.

Date of Decision:

June 11, 1996

ARBITRATOR'S SIGNATURE

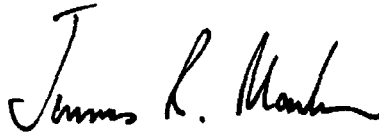
William Crowe, Jr, Esq.
Industry Chairperson



James R. Madan
Industry Arbitrator

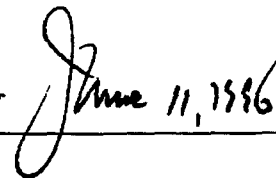
Herbert Z. Geiger, Esq.
Industry Arbitrator

I, **James R. Madan**, do hereby affirm pursuant to Article 7507 of the Civil Practice Law & Rules that this is my decision in the above referenced matter.



James R. Madan

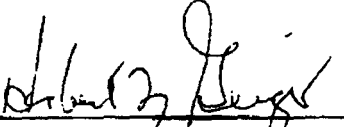
Date of Decision: _____



ARBITRATOR'S SIGNATURE

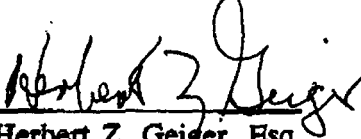
William Crowe, Jr, Esq.
Industry Chairperson

James R. Madan
Industry Arbitrator



Herbert Z. Geiger, Esq.
Industry Arbitrator

I, Herbert Z. Geiger, Esq., do hereby affirm pursuant to Article 7507 of the Civil Practice Law & Rules that this is my decision in the above referenced matter.



Herbert Z. Geiger, Esq.

Date of Decision: June 11, 1996