

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Charles E. Mellon

95-00435

Name of Respondent

Prudential Securities Inc.

REPRESENTATION

For Claimant, Charles E. Mellon ("Mellon"): Robert P. Morrow, Jr., Esq., Jacksonville, Florida.

For Respondent, Prudential Securities Inc. ("Prudential"): Denis Durkin of Baker & Hostetler, Orlando, Florida.

CASE INFORMATION

Statement of Claim filed on January 27, 1995.

Claimant's Submission Agreement signed on January 26, 1995.

Respondent's Statement of Answer filed on March 24, 1995.

Respondent's Submission Agreement signed on March 10, 1995 by Kirsten Hotchkiss on behalf of Prudential.

HEARING INFORMATION

On April 23, 1996, in Tampa, Florida, a hearing lasting 2 sessions was conducted.

CASE SUMMARY

Claimant Mellon alleged that Prudential, his former employer, through an officer of Prudential Joseph Grippi, maliciously and falsely maligned, slandered, and discredited Mellon. Claimant further alleged that these statements made by Prudential about Mellon were spoken willfully with the intent to damage Mellon's good name and reputation which forced his removal as an account

representative with Dean, Witter, Reynolds, Inc. ("DWR"), and prevented the completion of the documentation necessary to transfer Mellon's registration status from his former broker-dealer, Prudential, to DWR as his current broker-dealer.

In addition, Claimant alleged that the false and malicious statements made by Prudential were unfounded, false, and defamatory and caused Mellon pain and suffering, mental anguish, loss of livelihood etc.

Respondent Prudential denied all allegations of wrongdoing contained in the Statement of Claim.

Respondent asserted various affirmative defenses including, but not limited to: failure to state a claim for defamation, statute of limitations, estoppel, and failure to mitigate damages.

RELIEF REQUESTED

Claimant requested: damages of \$3,000,000.00, exclusive of interests and costs.

Respondent requested that the claim be dismissed in its 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 original(s) remain on file with the NASD.

AWARD

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

1. Respondent Prudential is found not liable and, therefore, all claims against it are hereby denied.
2. All other claims are hereby denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including attorney's fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$2,000 (2 sessions x \$1000.00).

1. Claimant is hereby assessed Forum Fees in the amount of \$1000.00 for which the NASD shall retain the \$1,000.00 previously deposited by Claimant in full satisfaction thereof.
2. Respondent is hereby assessed Forum Fees in the amount of \$1000.00 for which the NASD shall retain the overpayment made by Respondent in the amount of \$850.00 leaving a balance of \$150.00 due to the National Association of Securities Dealers, Inc. by Respondent.
3. The NASD shall retain the non-refundable filing fee of \$500.00 paid by the Claimant.
4. The NASD shall retain the \$500.00 member surcharge paid by Prudential.

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

ARBITRATION PANEL

Concurring Arbitrators' Signatures

/s/

Jeffrey R. Edwards, Esq.

Public/Chairman

/s/

Harold C. Anders

Industry

/s/

C. Bette Wimbish

Public

Date of Decision: June 27, 1996