

AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Prudential Securities, Inc.

and

96-00234

Name of Respondent

Thomas C. Mason

REPRESENTATION OF PARTIES

For Claimant: Prudential Securities Incorporated was represented by Linda A. Gallagher, Esq., Gornberg Kane & Fischer, Ltd., 208 South LaSalle Street, Suite 1800, Chicago, Illinois 60604.

For Respondent: Thomas C. Mason appeared at the hearing *pro se*.

CASE INFORMATION

Statement of Claim filed: (on or about) January 11, 1996.

Claimant's Submission Agreement signed on: January 11, 1996.

Respondent did not file a Statement of Answer.

HEARING INFORMATION

The hearing was held on Friday, November 15, 1996, in Nashville, Tennessee for one (1) session.

CASE SUMMARY

Claimant, Prudential Securities Incorporated ("Claimant"), alleged that the Respondent, Thomas C. Mason ("Respondent"), entered into a Financial Advisor in Training Agreement ("Training Agreement") on October 3, 1994. Under the Training Agreement, Respondent agreed to reimburse Claimant up to \$39,000.00 in liquidated damages for the cost of training and other benefits in the event Respondent resigned or was terminated for cause within four (4) years after he passed the NYSE Series 7 Examination ("Series 7"). Respondent would not be required to reimburse Claimant for the training costs if Respondent did not join a competitor of Claimant.

Claimant alleged that the Training Agreement further provided that the \$39,000.00 in liquidated damages would be reduced by \$2,437.00 for each full quarter year of employment following the date Respondent passed the Series 7. Respondent passed the Series 7 on or about December 19, 1994 and resigned from employment with Claimant on January 2, 1996, and joined a competitor of Claimant, leaving a remaining balance due for the training costs in the amount of \$29,252.00. Claimant alleges that to date, Respondent has failed and refused to honor his obligation to Prudential Securities Incorporated under the Training Agreement.

Respondent did not file an Answer.

RELIEF REQUESTED

Claimant requested an award against Thomas C. Mason as follows:

- The principal balance due and owing under the Training Agreement in the amount of \$29,252.00
- Attorneys fees and costs as agreed to under the terms of the Training Agreement; and
- Any other relief as the Arbitrators deem just.

Respondent did not request any relief.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Thomas C. Mason did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to §10301 of the NASD Code of Arbitration Procedure (the "Code") and having appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

Respondent Thomas C. Mason did not file an Answer to the Statement of Claim. The undersigned arbitrators did admit into evidence and consider correspondence dated November 12, 1996 and November 13, 1996.

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 NASD Regulation, Inc. Office of Dispute Resolution.

AWARD

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

1. Respondent Thomas C. Mason shall be and hereby is liable for and shall pay to the Claimant Prudential Securities, Inc. the sum of **fifteen thousand dollars (\$15,000)**.
2. 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 \$600 per hearing session and \$300 for each prehearing conference, if any. There was one (1) session x \$600 = \$600 in forum fees. Pursuant to §10205(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 §10205(c) of the NASD Code of Arbitration Procedure, the NASD Regulation, Inc. Office of Dispute Resolution 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 \$600 previously deposited with the NASD Regulation, Inc. Office of Dispute Resolution by the Claimant Prudential Securities, Inc.

Pursuant to §10333 of the NASD Code of Arbitration Procedure, the NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable member surcharge in the amount of \$200. Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

/s/ John Thomas Deutsch
John Thomas Deutsch
Industry Arbitrator, Presiding Chair

Dated:
November 25, 1996

/s/ Phil Lubetkin
Phil Lubetkin
Industry Arbitrator

November 26, 1996

/s/ Nicholas James Douglas
Nicholas James Douglas
Industry Arbitrator

November 25, 1996