

## AWARD

### **NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION**

---

In the matter of the Arbitration Between

Name of Claimant

Prudential Securities, Inc.

v.

NASD Regulation, Inc.  
Arbitration No. 96-01029

Name of Respondent

John D. Williams, Jr.

### **REPRESENTATION**

For Claimant:

Michael A. Kraft, Esq.  
Gomberg Kane & Fischer, Ltd.  
Chicago, Illinois

For Respondent:

John J. Kendrick, Jr., Esq.  
Kendrick & Jackson  
Irvine, California

### **CASE INFORMATION**

Statement of Claim filed:	March 8, 1996
Claimant's Submission Agreement signed:	March 4, 1996
Statement of Answer filed by Respondent:	May 12, 1996
Respondent's Submission Agreement signed:	May 17, 1996
Respondent's Cross-Claim filed:	May 12, 1996
Claimant's Answer to Counter-Claim filed:	July 26, 1996

### **HEARING INFORMATION**

Full Panel Pre-Hearing Conference Date / Session: November 13, 1996 (1 Session)

One Panel-Member Pre-Hearing Conference Date / Session: March 24, 1997 (1 Session)

Hearing Dates / Sessions: April 9, 1997 (2 Sessions)  
April 10, 1997 (2 Sessions)

Hearing Location: Los Angeles, California

### **CASE SUMMARY**

Claimant alleged that Respondent defaulted on a promissory note in connection with Respondent's employment with Claimant.

Respondent denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

Respondent filed a Counter-Claim which alleged that Claimant breached the employment contract by terminating Respondent without cause. Respondent further alleged that the conduct by Claimant and Claimant's branch manager constituted a breach of the covenant of good faith and fair dealing which was part of the employment contract. Respondent also alleged that Claimant fraudulently induced him to enter into an employment agreement which the Claimant had no intent to honor.

Claimant denied the allegations of wrongdoing set forth in Respondent's Counter-Claim.

### **RELIEF REQUESTED**

Claimant requested compensatory damages of \$45,860.00 for the principal of the promissory note, and \$580.80 for interest due on the note. Claimant also requested interest from the date of default, collection costs, attorney's fees, and costs.

Respondent requested the dismissal of the Claim.

Respondent requested compensatory damages in an amount greater than \$100,000.00. Respondent also requested punitive damages, interest, costs and fees.

Claimant requested the dismissal of Respondent's Counter-Claim.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties have agreed that the Award in this matter may be executed in either 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 remains on file with the NASD Regulation, Inc. Office of Dispute Resolution.

### **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 is liable to and shall pay to Claimant the sum of \$32,000.00.
2. Claimant's Claim for punitive damages is denied in its entirety.
3. Respondent's Counter-Claim, including the claim for punitive damages, is denied in its entirety.
4. The parties shall each bear their respective costs, including attorney's fees.

### **FORUM FEES**

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

1 Full Panel Pre-Hearing Conference @ \$750.00/Session	= \$750.00
1 One Panel Member Pre-Hearing Conference @ \$300.00/Session	= \$300.00
<u>4 Hearing Sessions @ \$750.00/Session</u>	<u>= \$3,000.00</u>
Total Fees :	= \$4050.00

Total Fees Assessed Against Claimant:	= \$2,025.00
<u>Credit for Hearing Session Deposit:</u>	<u>= \$600.00</u>
Total Fees Assessed Against Claimant:	= \$1,425.00

Total Fees Assessed Against Respondent:	= \$2,025.00
<u>Credit for Hearing Session Deposit:</u>	<u>= \$750.00</u>
Total Fees Assessed Against Respondent:	= \$1,275.00

Fees are payable to NASD Regulation, Inc.

RECEIVED


APR 17 1997

NASD-ARBITRATION MEDIATION

**ARBITRATORS**

<u>Name</u>	<u>Public / Industry</u>
Diana G. Davis, Esq.	Public
Robert H. Bothner	Industry
Herbert Murez, Esq.	Public

**Concurring Arbitrators' Signatures**

  
\_\_\_\_\_  
Diana G. Davis, Esq.

\_\_\_\_\_  
Robert H. Bothner

\_\_\_\_\_  
Herbert Murez, Esq.

Date of Decision: \_\_\_\_\_

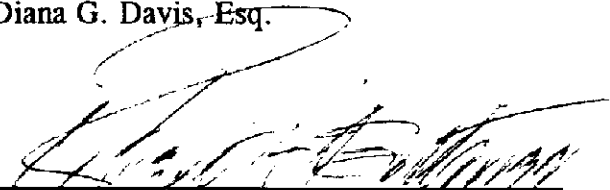
\_\_\_\_\_  
Date of Service: \_\_\_\_\_

**ARBITRATORS**

<u>Name</u> .....	<u>Public / Industry</u>
Diana G. Davis, Esq.	Public
Robert H. Bothner	Industry
Herbert Murez, Esq.	Public

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Diana G. Davis, Esq.

  
\_\_\_\_\_  
Robert H. Bothner

\_\_\_\_\_  
Herbert Murez, Esq.

Date of Decision: \_\_\_\_\_

.....  
Date of Service: \_\_\_\_\_

**ARBITRATORS**

<u>Name</u>	<u>Public / Industry</u>
Diana G. Davis, Esq.	Public
Robert H. Bothner	Industry
Herbert Murez, Esq.	Public

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Diana G. Davis, Esq.

\_\_\_\_\_  
Robert H. Bothner

  
\_\_\_\_\_  
Herbert Murez, Esq.

Date of Decision: \_\_\_\_\_

\_\_\_\_\_  
Date of Service: \_\_\_\_\_