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AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of Arbitration Between

Prudential Securities Inc.,

Claimant,

and

No. 96-05602

William O. Alexander,

Respondent.

REPRESENTATION OF PARTIES

Claimant, Prudential Securities Incorporated, was represented by Mr. Michael A. Kraft, Esquire of Gomborg Kane & Fischer, Limited.

Respondent, Mr. William O. Alexander, was not represented in pleadings or at the hearing in this matter.

CASE INFORMATION

Prudential Securities Incorporated's Statement of Claim was filed on or about December 18, 1996.

Prudential Securities Incorporated's Submission Agreement was signed on December 3, 1996 by Gabriel Loubier, First Vice President and Deputy Regional Counsel of Prudential Securities.

Mr. William O. Alexander did not submit a Statement of Answer or a submission agreement in this matter.

HEARING INFORMATION

No pre-hearing conferences were held.

The hearing was held on August 6, 1997 for one (1) session.

The hearing was held in Nashville, Tennessee.

CASE SUMMARY

Claimant, Prudential Securities Incorporated ("Claimant"), alleged that Respondent, Mr. William O. Alexander ("Respondent"), entered into a promissory note on August 12, 1994, (the "Note"), which by its terms, Respondent agreed to repay the sum of \$76,437.00 in forty-three equal monthly installment payments of \$1,777.60 beginning with January, 1995 and ending with July, 1998 plus interest at the rate of 6% per annum. Claimant alleged that the Note provided for the payment of the entire amount due in the event of the termination, for any reason, of employment during the term of the Note. In addition, Claimant alleged that Respondent was not entitled to any unpaid transitional compensation if Respondent resigned or was terminated for cause. Respondent resigned from Prudential on February 16, 1996, and there was a remaining balance due on the Note in the amount of \$53,328.14, arrears in the amount of \$1,444.23 plus interest. In addition, according to Claimant, when Respondent resigned from Prudential, he had a deficit commission balance in the amount of \$2,843.66 due to order errors. Claimant stated that on or about April 23, 1996, Claimant tendered a demand to Respondent for the balance due under the Note plus interest. Claimant alleges that to date Respondent has failed and refused to honor his obligation to Prudential Securities Incorporated under the Note.

RELIEF REQUESTED

Claimant, Prudential Securities Incorporated, requested an award for: the principal balance due and owing under the promissory note in the amount of \$53,328.14; interest during the term of the promissory note at the contract rate of 6% in the amount of \$157.86; interest on the balance due and owing under the promissory note at the contract rate of 6% per annum from the date of default, February 16, 1996 to November 26, 1996 in the amount of \$2,490.68; interest on the balance due and owing under the promissory note at the contract rate of 6% per annum from November 26, 1996 to the date of payment; arrears on the promissory note in the amount of \$1,444.23; the deficit commission balance of \$2,843.66; and the cost of collection and of this proceeding including

attorneys' fees as agreed to under the terms of the promissory note.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of Claimant, Prudential Securities Incorporated, the undersigned arbitrators have determined that Respondent, Mr. William O. Alexander, has been properly served with the Statement of Claim pursuant to §§ 10302 and 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondent, Mr. William O. Alexander, had received due notice of the hearing as required under § 10318 of the Code.

Respondent, Mr. William O. Alexander, did not file with 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 Code and is bound by the determination of the arbitration panel on all issues submitted.

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. Mr. William O. Alexander is liable for and shall pay Prudential Securities Incorporated the principal balance due and owing under the promissory note in the amount of \$53,328.14.
2. Mr. William O. Alexander is liable for and shall pay Prudential Securities Incorporated interest during the term of the promissory note at the contract rate of 6% in the amount of \$157.86.
3. Mr. William O. Alexander is liable for and shall pay Prudential Securities Incorporated interest on the balance due and owing under the promissory note at the contract rate of 6% per annum from the date of default, February 16, 1996 to November 26, 1996 in the amount of \$2,490.68.
4. Mr. William O. Alexander is liable for and shall pay Prudential Securities Incorporated interest on the balance due and owing under the promissory note at the contract rate of 6% per annum from November 26, 1996 to the date of payment.

5. Mr. William O. Alexander is liable for and shall pay Prudential Securities Incorporated arrears on the promissory note in the amount of \$1,444.23.
6. Mr. William O. Alexander is liable for and shall pay Prudential Securities Incorporated the deficit commission balance of \$2,843.66 due to order errors.
7. Other than forum fees, which are addressed below, all other claims and requests for relief not specifically awarded here are, and each of them, hereby denied with prejudice.

FORUM FEES

Forum fees are calculated at the rate of \$600 per hearing session and \$300 for each pre-hearing conference, if any. There were no pre-hearing conferences and there was one (1) hearing session. \$600 = \$600 in forum fees. Pursuant to § 10205(b) of the NASD Code of Arbitration Procedure (the "Code") 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 Code, the NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee of \$500 and shall retain as forum fees the hearing session deposit of \$600 previously deposited with the NASD Regulation, Inc. Office of Dispute Resolution by Prudential Securities Incorporated.

Pursuant to § 10333 of the Code, the NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable member surcharge of \$300 previously deposited with the NASD Regulation, Inc. Office of Dispute Resolution by Prudential Securities Incorporated.

Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

Concurring Arbitrators' Signatures

/s/ John Thomas Deutsch

August 20, 1997

John Thomas Deutsch
Chairperson
Industry Arbitrator

Dated:

/s/ C. Taxon Malott

August 22, 1997

C. Taxon Malott
Panelist
Industry Arbitrator

Dated:

/s/ Phil Lubetkin

August 23, 1997

Phil Lubetkin
Panelist
Industry Arbitrator

Dated: