
Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Name of Claimant:

Albacora Corporation

Case No: 99-03393

Names of Respondents:

Prudential Securities, Inc., Carlos A. Gallo,
Jeannie Adams and Alejandro Riquezes

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For Albacora Corporation ("Albacora") hereinafter referred to as "Claimant": Melanie S. Cherdack, Esq., Genovese, Lichtman, Joblove & Battista, P.A., Miami, Florida.

For Prudential Securities, Inc. ("Prudential"), Carlos A. Gallo ("Gallo"), Jeannie Adams ("Adams"), and Alejandro Riquezes ("Riquezes") hereinafter also referred to as "Respondents": Richard L. Martens, Esq., Boose Casey Ciklin Lubitz Martens McBane & O'Connell, West Palm Beach, Florida.

CASE INFORMATION

Claimant's Uniform Submission Agreement signed on: June 18, 1999, by Aída Caceres Mayer, on behalf of the firm.

Statement of Claim filed on or about: July 26, 1999.

Respondent Gallo signed the Uniform Submission Agreement on: August 5, 1999.

Respondent Adams signed the Uniform Submission Agreement on: August 5, 1999.

Respondent Prudential's Uniform Submission Agreement signed on: August 10, 1999, by John A. DeBellis, Senior Vice President, on behalf of the firm.

Respondent Riquezes signed the Uniform Submission Agreement on: August 12, 1999.

Respondents' Joint Statement of Answer filed on or about: September 10, 1999.

CASE SUMMARY

Claimant asserted the following causes of action in connection with the transactions executed with the funds from its Prudential account: violations of Sections 517.301 and 517.211, Florida Statutes; breach of fiduciary duty; common law fraud; negligent supervision on the part of Prudential; and, breach of the NASD's Rules of Fair Practice and the rules of the NYSE. The securities products at issue were shares of stock in the following: Telebras; Citigroup; America Online; Excite; Yahoo; Ebay; At Home Corp; and, Sportsline USA.

Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and maintained that the overwhelming portion of the losses incurred by Claimant were proximately caused by the investment strategy implemented by Claimant before and during the time the account was domiciled at Prudential and not by Respondents. Respondents further maintained that there is no basis for Claimant's demand for punitive damages or any type of recovery.

RELIEF REQUESTED

Claimant requested an Award of compensatory damages in the amount of \$2,230,000.00, unspecified punitive damages, interest, costs and attorneys' fees.

Respondents requested the following: a dismissal of the Statement of Claim, with prejudice; that Claimant be assessed reasonable attorneys' fees and costs; that the Panel order the expungement of all references to this matter from Respondents' NASD Central Registration Depository ("CRD") records; and, such other relief deemed appropriate by the Panel.

OTHER ISSUES CONSIDERED AND DECIDED

On or about May 23, 2001, the parties filed with NASD Dispute Resolution, Inc. ("NASDR"), a Stipulation for Dismissal and Expungement of Registered Representatives' Records wherein the parties agreed to the following: that this matter be dismissed with prejudice; that Claimant and Respondents shall each bear their respective costs and attorneys' fees, except that Respondents shall bear Claimant's share of the NASD forum fees, up to the amount of \$3,225.00; that the dismissal shall be a bar to the bringing of any action based on or including the claims or counterclaims for which this action has been or could have been brought against Respondents by Claimant or any officer or director of Claimant, or against Claimant, or any officer or director of Claimant, by Respondents; and, that the NASD expunge this matter from the CRD records of Respondents Gallo, Adams and Riquezes.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten signed Stipulated 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 NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings and the Stipulation for Dismissal and Expungement of Registered Representatives' Records, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents Gallo, Adams and Riquezes are dismissed, with prejudice.
2. The Panel recommends the expungement of all references to the above-captioned matter from the CRD records of Respondents Gallo, Adams and Riquezes, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, said Respondents must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The parties shall each bear their respective costs and expenses, including attorneys' fees.
4. The parties are barred from bringing any action based on or including the claims or counterclaims for which this action has been or could have been brought against Respondents, by Claimant or any officer or director of Claimant, or against Claimant or any officer or director of Claimant, by Respondents.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

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|--------------------------|-------------|
| Initial claim filing fee | = \$ 500.00 |
|--------------------------|-------------|

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

| | |
|-------------------------|--------------|
| Member surcharge | = \$2,500.00 |
| Pre-hearing process fee | = \$ 600.00 |
| Hearing process fee | = \$4,500.00 |

Forum Fees and Assessments

The Panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

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|---|--------------|
| One (1) Pre-hearing session with a single arbitrator x \$450.00 | = \$450.00 |
| Pre-hearing conference date: August 24, 2000 1 session | |
| One (1) Pre-hearing session with the Panel x \$1,200.00 | = \$1,200.00 |
| Pre-hearing conference date: March 7, 2000 1 session | |
| Six (6) Hearing sessions x \$1,200.00 | = \$7,200.00 |
| Hearing dates: August 28, 2000 2 sessions | |
| August 29, 2000 2 sessions | |
| August 30, 2000 2 sessions | |
| Total Forum Fees | = \$8,850.00 |

The Panel has assessed forum fees in the amount of \$4,425.00 to Claimant.

The Panel has assessed forum fees in the amount of \$4,425.00 to Respondent Prudential.

Pursuant to the agreement of the parties, Respondent Prudential shall pay \$3,225.00 of the forum fees assessed against Claimant.

Fee Summary

Claimant be and hereby is solely liable for:

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|---|--------------|
| Initial Filing Fee | = \$ 500.00 |
| Forum Fees | = \$1,200.00 |
| Total Fees | = \$1,700.00 |
| Less payments | = \$1,700.00 |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 0.00 |

Respondent Prudential be and hereby is solely liable for:

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|---|---------------|
| Member Fees | = \$ 7,600.00 |
| Forum Fees | = \$ 7,650.00 |
| Total Fees | = \$15,250.00 |
| Less payments | = \$ 7,600.00 |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 7,650.00 |

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

| | | |
|-----------------------|---|------------------------------------|
| David P. Slater, Esq. | - | Public Arbitrator, Presiding Chair |
| David P. Wardwell | - | Non-Public Arbitrator/Panelist |
| Muriel Cohen | - | Public Arbitrator/Panelist |

Concurring Arbitrators' Signatures

/s/
David P. Slater, Esq.
Public Arbitrator, Presiding Chair

November 20, 2001
Signature Date

/s/
David P. Wardwell
Non-Public Arbitrator


November 19, 2001
Signature Date

/s/
Muriel Cohen
Public Arbitrator


November 19, 2001
Signature Date

November 20, 2001
Date of Service (For NASD-Dispute Resolution office use only)

Concurring Arbitrators' Signatures



David P. Slater, Esq.
Public Arbitrator, Presiding Chair



Signature Date

David P. Wardwell
Non-Public Arbitrator

Signature Date

Muriel Cohen
Public Arbitrator

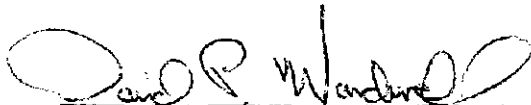
Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

Concurring Arbitrators' Signatures

David P. Slater, Esq.
Public Arbitrator, Presiding Chair

Signature Date



David P. Wardwell
Non-Public Arbitrator

11-19-01

Signature Date

Muriel Cohen
Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

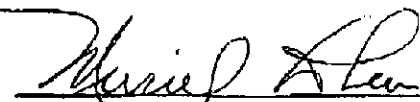
Concurring Arbitrators' Signatures

David P. Slater, Esq.
Public Arbitrator, Presiding Chair

Signature Date

David P. Wardwell
Non-Public Arbitrator

Signature Date



Muriel Cohen
Public Arbitrator



Signature Date

Date of Service (For NASD-Dispute Resolution office use only)