

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Marilyn Levine, Jason Levine, and The JEK Trust UA DTD 07/30/96, (Claimants) vs.
Prudential Securities Incorporated, Charles Anastasiou, and Michael Anastasiou, (Respondents)

Case Number: 01-02598

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Marilyn Levine ("M. Levine"), Jason Levine ("J. Levine"), and The JEK Trust UA DTD 07/30/96 ("JEK Trust"), hereinafter collectively referred to as "Claimants": Darren C. Blum, Esq., Law Offices of Darren C. Blum, P.A., Plantation, FL.

Respondents, Prudential Securities Incorporated ("PSI"), Charles Anastasiou ("C. Anastasiou"), and Michael Anastasiou ("M. Anastasiou"), hereinafter collectively referred to as "Respondents": James M. Bergen, Esq., Dorsey & Whitney LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: May 9, 2001.

Response to Counterclaim filed by Claimants on or about: July 25, 2001.

Response to Statement of Answer filed by Claimants on or about: August 9, 2001.

M. Levine signed the Uniform Submission Agreement: May 3, 2001.

J. Levine signed the Uniform Submission Agreement: May 3, 2001.

JEK Trust signed the Uniform Submission Agreement: May 3, 2001.

Joint Statement of Answer filed by Respondents on or about: July 19, 2001.

Counterclaim filed by PSI on or about: July 19, 2001.

Reply to Claimant's Response to Statement of Answer filed by Respondents on or about:
January 16, 2002.

PSI signed the Uniform Submission Agreement: July 17, 2001.

C. Anastasiou signed the Uniform Submission Agreement: July 17, 2001.

M. Anastasiou signed the Uniform Submission Agreement: July 17, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: violations of industry rules and New York Statutes; breach of contract; breach of fiduciary duties; common law fraud; negligence; negligent supervision; and violations of the Martin Act. Claimant's claim involved unspecified stocks and options.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a cause of action against Respondents; Claimants had full control over the investment decisions in their PSI accounts and approved and/or ratified all such investment decisions; any losses which were incurred were as a result of investment decisions made by Claimants and market price fluctuations beyond the control and responsibility of Respondents; and J. Levine and M. Levine have unclean hands by virtue of their knowingly filing a false and deceptive Statement of Claim, and therefore should be precluded from recovery herein by the doctrine of in pari delicto.

In its Counterclaim, PSI asserted the following cause of action: failure to satisfy debit balances in accounts.

Unless specifically admitted in their Response, Claimants denied the allegations made in the Counterclaim and asserted the following defenses: PSI failed to state any cause of action against Claimants under the Securities Laws, the regulations promulgated thereunder, the Rules of the NASD, or common law; PSI's actions and inactions constitute a valid waiver of any right to sue Claimants for any claimed losses; PSI's own actions caused or substantially contributed to the claimed losses; the equitable doctrines of waiver and estoppel bar PSI's claim; PSI's knowledge and conduct throughout their dealings with Claimants is irreconcilably inconsistent with its claims; PSI did not act in good faith and thus cannot have a basis for an action; PSI's claims are barred by the doctrine of ratification because they failed to act timely with respect to the demand for repayment; any damages sustained by PSI were proximately caused or contributed to by other persons or entities, including PSI; and PSI's damages, if any, were proximately caused and/or contributed to by the negligent acts and/or the failure of Respondents to mitigate their losses.

RELIEF REQUESTED

Claimants requested compensatory damages in the approximate amount of \$3,500,000.00, plus interest at the legal rate from the date of purchase or reasonable market return, rescission, reasonable attorneys' fees, punitive damages, the costs of this proceeding, and such other relief as is just and proper.

Respondents requested that Claimants' claims be denied, and that they be awarded their attorneys' fees, costs, disbursements, and the NASD filing and hearing fees from the Claimants.

In its Counterclaim, PSI requested compensatory damages in the amount of \$39,857.06.

In their Response, Claimants requested that the Counterclaim be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

On March 5, 2002, Respondent M. Anastasiou filed a Motion to Dismiss. Claimants filed a Response to said Motion on March 14, 2002. After due consideration, the Panel granted M. Anastasiou's Motion to Dismiss.

During the hearings in this matter, Respondents PSI and C. Anastasiou made a Motion to Dismiss which was denied by the Panel.

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.

AWARD

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

1. PSI be and hereby is solely liable for and shall pay to JEK Trust the sum of \$189,000.00 as compensatory damages, plus interest at the rate of 6% accruing from March 21, 2002 until date of payment.
2. C. Anastasiou be and hereby is solely liable for and shall pay to JEK Trust the sum of \$81,000.00 as compensatory damages, plus interest at the rate of 6% accruing from March 21, 2002 until date of payment.

3. J. Levine be and hereby is solely liable for and shall pay to PSI the sum of \$19,200.06 as compensatory damages, plus interest at the rate of 6% accruing from March 21, 2002 until date of payment.
4. All requests for punitive damages are hereby denied.
5. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent M. Anastasiou's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent M. Anastasiou must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
6. All other requests for relief are hereby denied.

FEES

Pursuant to 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:

Initial claim filing fee	= \$ 600.00
Counterclaim filing fee	= \$ 1,000.00

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, Prudential Securities Incorporated 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 assesses 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:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: March 11, 2002	1 session

Three (3) Pre-hearing sessions with Panel x \$1,200.00		= \$ 3,600.00
Pre-hearing conferences:		
October 10, 2001	1 session	
December 5, 2001	1 session	
December 20, 2001	1 session	
Eight (8) Hearing sessions x \$1,200.00		= \$ 9,600.00
Hearing Dates:		
March 18, 2002	2 sessions	
March 19, 2002	2 sessions	
March 20, 2002	2 sessions	
March 21, 2002	2 sessions	
Total Forum Fees		= \$13,650.00

1. The Panel has assessed \$1,365.00 of the forum fees against J. Levine.
2. The Panel has assessed \$1,365.00 of the forum fees against M. Levine.
3. The Panel has assessed \$10,920.00 of the forum fees against PSI.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

2. J. Levine be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 1,365.00
<u>Total Fees</u>	= \$ 1,365.00
<u>Less payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 765.00

3. M. Levine be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 1,365.00
<u>Total Fees</u>	= \$ 1,365.00
<u>Less payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 765.00

4. PSI be and hereby is solely liable for:

Counterclaim Filing Fee	= \$ 1,000.00
Member Fees	= \$ 7,600.00
<u>Forum Fees</u>	<u>= \$10,920.00</u>
Total Fees	= \$19,520.00
<u>Less payments</u>	<u>= \$ 9,050.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$10,470.00


All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Craig Scott Bartlett, Jr.	-	Public Arbitrator, Presiding Chair
Eric P. Nachman, Esq.	-	Public Arbitrator
David Denison	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Craig Scott Bartlett, Jr.
Public Arbitrator, Presiding Chair

4/5/02

Signature Date

Eric P. Nachman, Esq.
Public Arbitrator

Signature Date

David Denison
Industry Arbitrator

Signature Date

April 22, 2002

Date of Service (For NASD office use only)

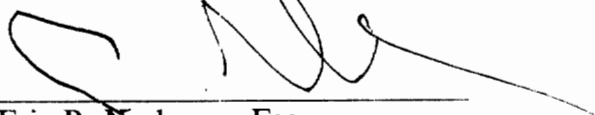
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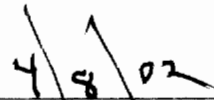
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Eric P. Nachman, Esq.
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Signature Date



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David Denison
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Signature Date

Eric P. Nachman, Esq.
Public Arbitrator

Signature Date



David Denison
Industry Arbitrator

4/11/02

Signature Date

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Date of Service (For NASD office use only)