

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Willi Diener (Claimant) v. Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc.
and Prudential-Bache International, Ltd. (Respondents)

Case Number: 02-05916

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Member and Non-Member.

REPRESENTATION OF PARTIES

Claimant Willi Diener ("Diener") hereinafter referred to as "Claimant": David S. Ratner, Esq., Benedict P. Morelli & Associates, P.C., New York, NY.

Respondents Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. ("PSI") and Prudential-Bache International, Ltd. ("PBI") hereinafter collectively referred to as "Respondents": Jack G. Lerner, Esq., Prudential Securities, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 3, 2002.

Claimant signed the Uniform Submission Agreement: September 27, 2002.

Joint Statement of Answer filed by Respondents on or about: December 16, 2002.

Joint First Amended Answer filed by Respondents on or about: December 17, 2002.

PSI signed the Uniform Submission Agreement: December 16, 2002.

PBI signed the Uniform Submission Agreement: December 16, 2002.

CASE SUMMARY

Claimant asserted the following causes of action: violation of NASD rules; negligence; breach of fiduciary duty; omission of facts; and breach of contract. Claimant's claim involved NASDAQ December put options; NASDAQ December call options; Semiconductor Call options; and Semiconductor put options.

Unless specifically admitted in their Answer and First Amended Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested damages in the amount of \$966,000.00, the actual loss of his investment; punitive damages in the amount of \$10,000,000.00; interest, compounded monthly, at a rate of 7.5%; restitution of all margin interest paid after November 1, 1999; attorneys' fees, as well as any and all out-of-pocket fees and costs associated with this dispute.

In their Answer and First Amended Answer, Respondents requested that the Statement of Claim be dismissed and all relief sought therein be denied, and that Respondents be granted the costs of this proceeding, including attorneys' fees, and such other and further relief as the Arbitration Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

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, and 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. Respondents are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$150,000.00, plus interest at the rate of 4% per annum from February 26, 2004 through the date of payment of the award.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$600.00
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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 person at the time of the events giving rise

to the dispute. Accordingly, Prudential Securities, Inc. n/k/a Prudential Equity Group, Inc. is a party.

Member surcharge	= \$3,750.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 14, 15, 16, and 17, 2003, adjournment by Claimant	= \$1,200.00
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$450.00	= \$ 450.00
Pre-hearing conference: June 5, 2003 1 session	

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: March 27, 2003 1 session	

Seven (7) Hearing sessions @ \$1,200.00	= \$ 8,400.00
Hearing Dates: February 23, 2004 2 sessions	
February 24, 2004 2 sessions	
February 25, 2004 2 sessions	
February 26, 2004 1 session	

Total Forum Fees	= \$10,050.00
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1. The Panel has assessed \$5,025.00 of the forum fees against Claimant.
2. The Panel has assessed \$5,025.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 1,200.00
<u>Forum Fees</u>	= \$ 5,025.00
Total Fees	= \$ 6,825.00
<u>Less payments</u>	= \$ 3,000.00
Balance Due NASD Dispute Resolution	= \$ 3,825.00

2. PSI is solely liable for:

<u>Member Fees</u>	= \$10,000.00
<u>Total Fees</u>	= \$10,000.00
<u>Less payments</u>	= \$10,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$5,025.00
<u>Total Fees</u>	= \$5,025.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$5,025.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Ann C. Northern, Esq.	-	Public Arbitrator, Presiding Chair
Murray P. Lennard, Esq.	-	Public Arbitrator
Mark Hammaren	-	Non-Public 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.



Ann C. Northern, Esq.
Public Arbitrator, Presiding Chairperson

3/2/04
Signature Date

Murray P. Lennard, Esq.
Public Arbitrator

Signature Date

Mark Hammaren
Non-Public Arbitrator

Signature Date

March 4, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

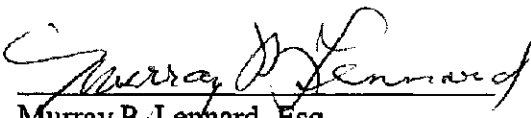
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