

**AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimants

Michael L. Bernard
Bernard Assets, LLC
Kristen L. Bernard
Casey M. Bernard
Ryan E. Bernard
Pamela Bernard
Dennis Humphrey
Micah Lee Bernard
Stephen A. Bernard

and

02-07077
Louisville, Kentucky

Name of Respondents

Prudential Equity Group, LLC
f/k/a Prudential Securities Incorporated
J. Lemoine Patty

Nature of the Dispute: Customers vs. Member and Associated Person

REPRESENTATION OF PARTIES

Michael L. Bernard, Bernard Assets, LLC, Kristen L. Bernard, Casey M. Bernard, Ryan E. Bernard, Pamela Bernard, Dennis Humphrey, Micah Lee Bernard and Stephen A. Bernard ("Claimants") were represented by Wesley A. Gersh, Esq., Wesley A. Gersch, PSC, Louisville, Kentucky.

Prudential Equity Group, LLC and J. Lemoine Patty ("Respondents") were represented by William W. Allen, Esq., Gess Mattingly & Atchison, Lexington, Kentucky.

CASE INFORMATION

The Statement of Claim was filed on or about January 15, 2003. The Claimants' Submission Agreements were signed on or about January 7, 2003.

The Statement of Answer was filed by Respondent Prudential Equity Group, LLC and J. Lemoine Patty on or about April 8, 2003. Respondent Prudential Equity Group, LLC did not file a

Submission Agreement. The Submission Agreement of Respondent J. Lemoine Patty was signed on or about April 7, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; Violation of KRS 292.320(1)(b); Violation of KRS 292.320(2); Violation of Rule 10b-5; Violation of the NASD "Know Your Customer" Rule; Controlling Person Liability Pursuant to KRS 292.480(1), (2) and 15 U.S.C. 78t(a) and Agency; breach of contract; and, negligence. The causes of action relate to the order execution of the At Home Corp. stock. Claimants alleged that Respondents failed to advise them that they should be diversified and failed to advise them of the risk inherent in At Home Corp.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated:

Mr. Bernard called back approximately one week later to discuss At Home Corporation. The next day, August 30, 2000, Mr. Bernard called and directed that all of the funds in all of the Claimants' accounts be invested in At Home Corporation. That was entirely consistent with Mr. Bernard's prior trading practices, but was completely contrary to Mr. Patty's prior advice to diversify to a number of investments. Mr. Bernard, consistent with his past practices, also demanded the Claimants be charged a sharply reduced commission on the trade. On August 30, 2000 the closing price of At Home Corporation was \$14.625 per share.

RELIEF REQUESTED

Claimants requested an award in the amount of \$758,284.80 as compensatory damages; attorney's fees, costs and any and all other relief, both at law and in equity, to which the Claimants may appear entitled.

Respondents requested that the claims asserted against them be denied in its entirety and that they be awarded their costs and attorney's fees and all other proper relief.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Prudential Equity Group, LLC did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

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. Respondents Prudential Equity Group, LLC and J. Lemoine Patty, jointly and severally, are liable for and shall pay to Claimants Michael L. Bernard, Bernard Assets LLC, Kristen Bernard, Casey Bernard, Ryan Bernard, Dennis Humphrey and Stephen Bernard, the sum of \$205,680.00 (Two Hundred and Five Thousand Six Hundred Eighty and No Cents) as compensatory damages.
2. Respondents Prudential Equity Group, LLC and J. Lemoine Patty, jointly and severally, are liable for and shall pay to Claimants Michael L. Bernard, Bernard Assets LLC, Kristen Bernard, Casey Bernard, Ryan Bernard, Dennis Humphrey and Stephen Bernard, the sum of \$18,000.00 (Eighteen Thousand and No Cents) in pre-award interest from the date of the award pursuant to Kentucky Law.
3. Respondents Prudential Equity Group, LLC and J. Lemoine Patty, jointly and severally, are liable for and shall pay to Claimants Michael L. Bernard, Bernard Assets LLC, Kristen Bernard, Casey Bernard, Ryan Bernard, Dennis Humphrey and Stephen Bernard, post-award interest from the service date of this award and until it is paid in full at the rate of 2.5% per annum pursuant to Kentucky law.
4. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
5. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 = \$375.00

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 person at the time of the events giving rise to the dispute. In this matter, the member firm is Prudential Equity Group, LLC.

Member surcharge	\$	2,250.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	<u>4,000.00</u>
Total Member Fees	\$	7,000.00

Forum Fees and Assessments

The Arbitration 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:

2	Pre-hearing sessions with Panel	x	1,200.00	\$	2,400.00
	August 21, 2003	1	Session		
	April 2, 2004	1	Session		
6	Hearing sessions	x	1,200.00		7,200.00
	February 18, 2004	2	Sessions		
	February 19, 2004	2	Sessions		
	June 22, 2004	2	Sessions		
	Total Forum Fees			\$	<u>9,600.00</u>

The Arbitration Panel has assessed \$ of 4,800.00 of the forum fees jointly and severally to Claimants Michael L. Bernard, Bernard Assets, LLC, Kristen L. Bernard, Casey M. Bernard, Ryan E. Bernard, Pamela Bernard, Dennis Humphrey, Micah Lee Bernard and Stephen A. Bernard.

The Arbitration Panel has assessed \$4,800.00 of the forum fees jointly and severally to Respondents Prudential Equity Group, LLC, and J. Lemoine Patty.

Fee Summary

Claimants, Michael L. Bernard, Bernard Assets, LLC, Kristen L. Bernard, Casey M. Bernard, Ryan E. Bernard, Pamela Bernard, Dennis Humphrey, Micah Lee Bernard and Stephen A. Bernard, shall be and hereby are liable for:

Initial Filing Fee	= \$	375.00
<u>Forum Fees</u>	= \$	<u>4,800.00</u>
Total Fees	= \$	5,175.00
<u>Less payments</u>	= \$	<u>-1,575.00</u>
Balance Due NASD Dispute Resolution	= \$	3,600.00

Respondent, Prudential Equity Group, LLC, shall be and hereby is liable for:

<u>Member Fees</u>	= \$	7,000.00
Total Fees	= \$	7,000.00
<u>Less payments</u>	= \$	<u>-7,000.00</u>
Balance Due NASD Dispute Resolution	= \$	0.00

Respondents, Prudential Equity Group, LLC and J. Lemoine Patty, shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$	<u>4,800.00</u>
Total Fees	= \$	4,800.00
<u>Less payments</u>	= \$	<u>-0.00</u>
Balance Due NASD Dispute Resolution	= \$	4,800.00

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

ARBITRATION PANEL

Franklin S. Yudkin, Esq. - Public Arbitrator, Presiding Chair
Madeleine B. Feldman - Public Arbitrator
Michael J. Piku - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Franklin S. Yudkin, Esq.
Franklin S. Yudkin, Esq.
Public Arbitrator, Presiding Chair

07/15/04
Signature Date

/s/ Madeline B. Feldman
Madeleine B. Feldman
Public Arbitrator

07/15/04
Signature Date

/s/ Michael J. Piku
Michael J. Piku
Non-Public Arbitrator

07/15/04
Signature Date

07/15/04
Date of service

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Concurring Arbitrators:

Franklin S. Yudkin, Esq.
Public Arbitrator, Presiding Chair

7-15-04
Signature Date

Madelaine B. Feldman
Public Arbitrator

Signature Date


Michael J. Piku
Non-Public Arbitrator

Signature Date

Date of service

Concurring Arbitrators:

Franklin S. Yudkin, Esq.
Public Arbitrator, Presiding Chair



Madeleine B. Feldman
Public Arbitrator

Signature Date

July 15, 2004

Signature Date

Michael J. Piku
Non-Public Arbitrator

Signature Date

Date of service

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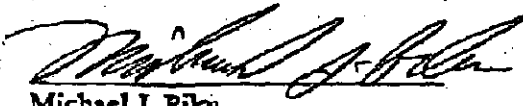
Concurring Arbitrators:

Franklin S. Yudkin, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Madeline B. Feldman
Public Arbitrator

Signature Date



Michael J. Piku
Non-Public Arbitrator

Signature Date

2-18-04

6-22-04

Date of service